

# *The* **NATIONAL** **UNDERWRITER** *Life Insurance Edition*

## OUR 40<sup>th</sup> BIRTHDAY

In July 1906 the Midland Mutual Life issued Policy Number 1, a \$5,000 Fifteen Payment Life to the late Dr. W. O. Thompson, then President of Ohio State University. He paid net premiums of \$4,572.15; his beneficiary received \$6,985.30 following his death in December 1933 at age 78.

At the end of 1906 the Midland Mutual had admitted assets of \$171,283 and insurance in force of \$278,100.

Twenty years later the Company had \$11,218,930 admitted assets and \$74,476,527 in force.

Today the Company's admitted assets exceed \$51,000,000; life insurance in force \$162,000,000.

In the past 40 years the Midland Mutual Life has collected more than \$95,000,000 in premiums and has paid or credited more than \$100,000,000 to policyowners, beneficiaries and annuitants.

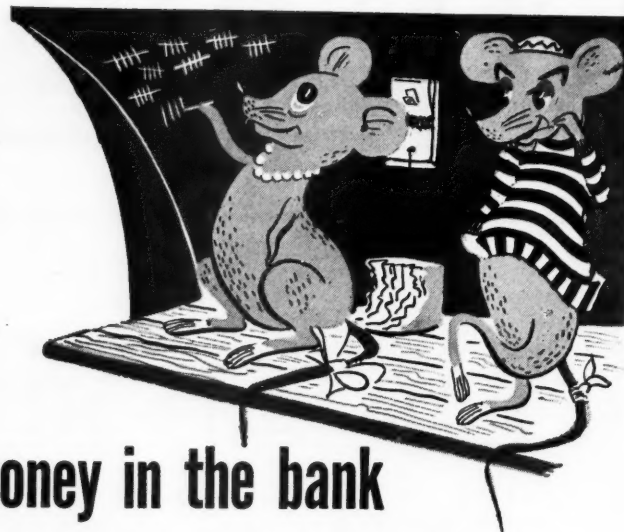
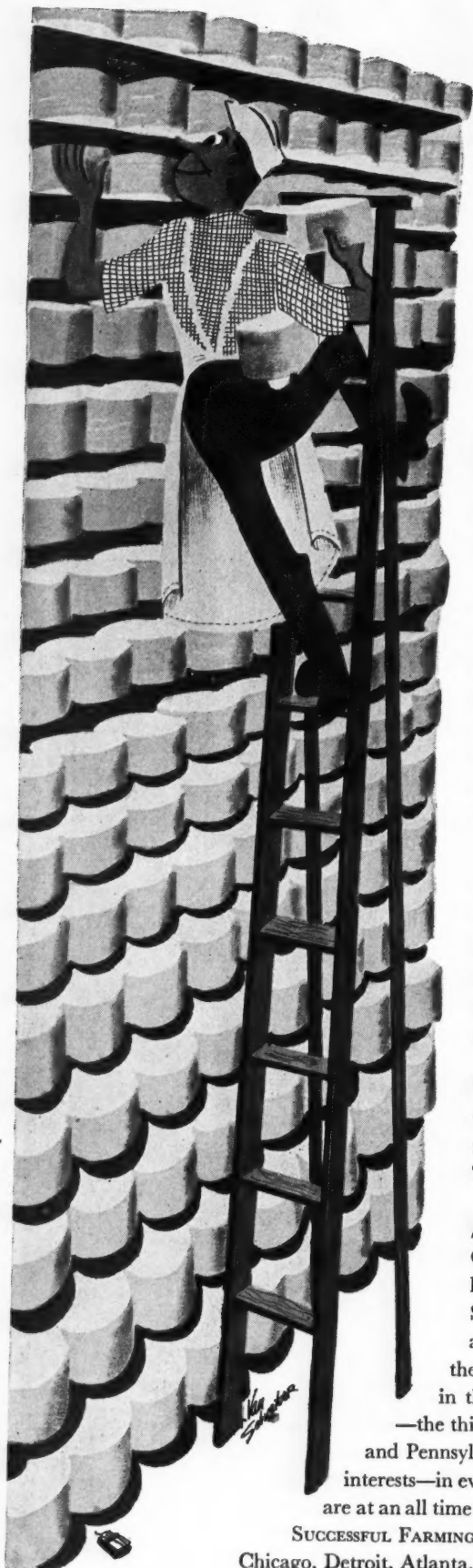
**THE MIDLAND MUTUAL LIFE**  
*Insurance Company*

Columbus 16, Ohio

1906

1946

**FRIDAY, JUNE 28, 1946**



## money in the bank

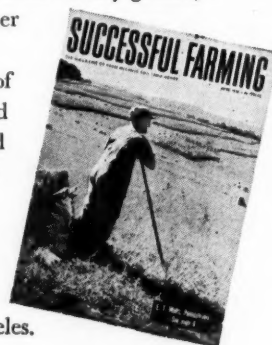
**for tomorrow** . . . World War I peaked milk production, brought the bonanza price of \$3.53 per hundred pounds . . . which dropped to \$1.27 in 1932 when surplus milk was fed to stock and sewers! Despite the current seller's market and high finance from fluid milk . . . **SUCCESSFUL FARMING** forewarns business-farmer subscribers to prepare for possible milk surpluses by learning to make cheese . . . reviews the art that has become one of the most profitable industries in Wisconsin . . . outlines methods and means of diversifying the product . . . makes clear that a storeroom of ageing cheeses is money in the bank for tomorrow!

"Cheese Is Your Business" . . . page 22 of the June issue . . . is interesting reading . . . and significant of how **SF** serves as business adviser, pre-sells protection to the best farmers in the country . . . with practical, pertinent, money-making material which makes **SF** indispensable to America's million-plus best farm families . . . and indispensable entree to the best "class" market in the world today!

**Glossy bossy!** . . . a standard hand vacuum cleaner grabs the grit, curries the cow, makes the chore a cinch . . . See "All Around The Farm" . . . page 124.



**Also** "Your Markets Overseas—Germany" . . . "How to Hang Onto Your Soil" . . . three special articles on hay grades, harvesting, storage . . . a flock of other **SF** farm article firsts by national authorities . . . to better the business of the nation's best farm families, situated in the best farm territory in the world—the thirteen Heart States plus New York and Pennsylvania . . . where yields, incomes and interests—in everything, including insurance—are at an all time peak! Further facts, any office . . . **SUCCESSFUL FARMING**, Des Moines, New York, Chicago, Detroit, Atlanta, Cleveland, San Francisco, Los Angeles.





## Varied Program Marks Connecticut Mutual Centennial

Day's Ceremonies Last  
from Noon Through Eve-  
ning; Agents' Meet Follows

By ROBERT B. MITCHELL

HARTFORD—Ceremonies impres-  
sive but pleasantly informal, in which  
Connecticut Mutual Life celebrated its  
100th anniversary included dedication of a  
commemorative plaque, a buffet luncheon



P. M. Fraser

on the home office grounds attended  
by 1,200 guests, talks by company  
officers and Governor Baldwin of  
Connecticut, a tour of the home office  
that took in historical exhibits and  
tableaux, and, in the evening, a cleverly  
staged musical and historical spectacle  
acted by more than 100 employees,  
tracing the company's history from its  
founding to the present day.

For the 100 leading agents, the 10  
leading supervisors, the general agents  
and a delegation from the home office,  
the centennial day program, which in-  
cluded the centennial banquet honoring



J. L. LOOMIS

the top leading agents and supervisors,  
was only a starter. The following day  
a special train took the party to Atlantic  
City for a weekend of relaxation and the  
centennial convention sessions, which  
opened Monday and continued through  
Wednesday.

### Plaque Dedicated

The Hartford ceremonies opened at  
noon last Friday in front of the col-  
umned front entrance to the home office  
building. Vice-president H. N. Chan-  
dler, centennial committee chairman,  
welcomed the guests and introduced  
James Lee Loomis, chairman of the  
board. Mr. Loomis dedicated a bronze  
plaque which was then laid in the flag-

## May Sales Up 54%; Ordinary Gain Is 67%.

Life insurance sales in May showed  
an increase of 54% over the correspond-  
ing month of last year, L.I.A.M.A. re-  
ports. The May total was \$1,956,796,000,  
compared with \$1,267,474,000 in May of  
last year.

Ordinary life sales in May were  
\$1,451,910,000, up 67% over May a year  
ago.

Industrial amounted to \$359,369,000,  
an increase of 26% over the correspond-  
ing month last year.

Group was \$145,517,000, an increase  
of 30% from May a year ago.

In the first five months total sales  
were \$8,612,078,000, an increase of 46%  
over the first five months of 1945. Ord-  
inary was \$6,419,081,000, an increase of  
58%. Industrial was \$1,657,105,000, in-  
crease 22%. Group accounted for \$535,-  
892,000, increase 11%.

Mississippi, with a 95% gain, showed  
the greatest rate of increase in ordinary  
life sales in May. For the first five  
months, Delaware led with an increase  
of 81%.

Among the large cities, Cleveland and  
Los Angeles showed the greatest rate of  
increase for May, each showing a gain  
of 78%. Philadelphia led for the five  
months with a gain of 75%. The fig-  
ures for the leading cities are Boston,  
May increase 67%, five months gain  
57%; Chicago 56% and 50%; Cleveland  
78% and 64%; Detroit 75 and 66; Los  
Angeles 78 and 49; New York 51 and  
47; Philadelphia 69 and 75; St. Louis  
55 and 60.

stone terrace. Samuel T. Chase, Chi-  
cago, who has represented the company  
for 41 years, and Herman Wahlberg of  
the home office staff, who has 44 years  
of service behind him, also participated  
in this ceremony.

Paying tribute to the founders of Con-  
necticut Mutual, which is the state's  
oldest life company, Mr. Loomis said  
"these men possessed the discernment to  
grasp the greatness and the possibilities  
in the idea of mutual life insurance.  
Charged with high regard for the public  
interest, they likewise possessed the in-  
telligence and the determination to sur-  
mount all the difficulties of this new en-  
terprise, and of the time in which they  
lived."

After the dedication luncheon was  
served on the spacious grounds back of  
the building. A souvenir of the day was  
a newspaper, printed in the style of a  
century ago and containing items from  
the "Courant" and "Times" of 1846. A  
colorful and quaint touch was the pres-  
ence of a number of the young men and  
women of the home office staff attired in  
clothes characteristic of a century ago.

After luncheon the guests heard talks  
by P. M. Fraser, president; W. D. Car-  
ter, president of the Connecticut Mutual  
Club; and Governor Baldwin. Vincent  
B. Coffin, vice-president in charge of  
agencies, introduced the speakers and  
presented the honor guests on the plat-  
form: Louis J. Fink, New York City,  
leading agent for the past year, Mr.  
Chase, Mr. Wahlberg, and three of the  
oldest policyholders in the Hartford  
area—H. B. Hale, East Hartford, L.  
H. Gager, West Hartford, and W. H.  
Rhodes, South Windsor.

### TELLS OF FOUNDING

Of the company's early days Mr.  
Fraser said: "A simple one-room office  
in an unpretentious building downtown,  
where at the outset a single full-time  
(CONTINUED ON PAGE 20)

## Potent New Sales Argument for Key Man Cover

ATLANTIC CITY—The Treasury  
Department is just now beginning to  
enforce section 102 of the internal re-  
venue code, which penalizes unreasonable  
accumulations of corporation surpluses,  
and this opens up an excellent oppor-  
tunity for the sale of key man insurance,  
said A. S. Potwin of the home office  
legal department at Connecticut Mutual  
Life's centennial convention here.

The section is not new but during the  
war years the government was satisfied  
by the high excess profits taxes paid by  
corporations, also it was difficult to say  
during such abnormal times just how  
much surplus was reasonable. With the  
dropping of the excess profits tax cor-  
porations are now in the comparatively  
low maximum tax bracket of 38% while  
individual stockholders continue in high  
income tax brackets.

### Have Built up Surpluses

The result is that corporations, espe-  
cially closely held corporations, have  
built up surpluses rather than declare  
dividends which would be taxed to stock-  
holders.

The government intends to force pay-  
ment of taxable dividends by imposing  
the section 102 penalty tax on funds  
held to be improperly accumulated be-  
yond the reasonable needs of the busi-  
ness. The revenue agent in charge is  
the sole judge of what is "reasonable,"  
said Mr. Potwin. Only current earn-  
ings are involved.

### Termed "Orphan Earnings"

Terming these "orphan earnings," Mr.  
Potwin said the corporation doesn't  
know what to do with them. They can't  
be paid to stockholders or officers as  
salaries because salaries already paid  
represent the maximum allowable tax  
deductions. The stockholders don't  
want them as dividends because they  
would only go to the government in  
taxes. They can't be invested profit-  
ably. The government says they can't  
remain idly useless in the corporate sur-  
plus account without a penalty tax,  
which frequently would serve almost to  
double the regular corporate tax.

"Our job," he said, "is to protect  
these orphan earnings. The solution is  
to earmark them for real business needs  
through life insurance on the lives of  
key men and employees in general. Such  
needs have never been challenged and  
are considered bona-fide."

## W. R. Mitchell Now Ga. Commissioner

ATLANTA—Gov. Arnall Tuesday  
appointed William R. Mitchell as com-  
ptroller general and insurance commis-  
sioner of Georgia for the unexpired term  
ending next January to fill the place left  
vacant by the death last Saturday of  
Homer C. Parker.

### Formerly Deputy Commissioner

Mr. Mitchell resigned last fall as  
deputy commissioner to become con-  
nected with American United National,  
but he recently returned to the depart-  
ment to lend a hand following the res-  
ignation of Deputy Commissioner T.  
Walker Jackson, now vice-president of  
Southern States Life.

The only two candidates contesting  
for election as comptroller general are  
E. B. Dykes of Vienna and Atlanta,  
former president of the state senate, and  
Zack D. Cravey, Atlanta, former state  
conservation commissioner.

## Hutchinson A.L.C. Medical Section Chairman

Danger of Influenza  
Epidemic Told by Dr.  
Livingston, Retiring Chief

HOT SPRINGS, VA.—Dr. J. R. B.  
Hutchinson, medical director of Acacia  
Mutual, was elected president of the  
Medical Section of the American Life  
Convention at the annual meeting here.

He succeeds Dr. J.  
M. Livingston,  
medical director of  
Mutual Life of  
Canada, who pre-  
sided.

Dr. Reynold C.  
Voss, associate  
medical director  
Pan-American Life,  
became vice-chair-  
man; Dr. B. F.  
Byrd, medical di-  
rector National Life  
& Accident, was  
reelected secretary.

Dr. J. Thornley  
Bowman, medical director London Life,  
program chairman, succeeds Dr. Voss  
as a member of the board of managers.  
Dr. Ennion S. Williams, medical direc-  
tor Life of Virginia, is the new program  
chairman.

### Virus Immune to Drugs

Dr. Livingston in a review of ad-  
vances made in public health, medicine,  
surgery and research warned of the  
danger of an epidemic or pandemic of  
influenza and its resultant mortality.  
Chemotherapy so far apparently has no  
effect on the causative virus but may  
modify secondary infections, he said.  
Vaccine gives some grounds for hope,  
but problems as to duration of immu-  
nity and efficiency in face of several  
strains of influenza virus have yet to be  
solved.

He mentioned the investigations be-  
ing made of the startling claims ad-  
vanced in connection with the anti-  
reticular cytotoxic serum of Dr. Bogom-  
olets of Russia, and also called atten-  
tion to the rising incidence of deaths  
resulting from automobile accidents,  
suggesting that an attempt be made  
"to determine whether psycho-physical  
factors are important causes." The re-  
sults, he feels, might be helpful in en-  
deavoring to lower this increasing haz-  
ard. He concluded by pointing out  
that just as there have been changes  
in the medical picture, "so also must  
risk appraisal for insurance change and  
progress."

### Adams and Hogg Speak

Dr. Livingston introduced Claris  
Adams, A.L.C. president and head of  
Ohio State Life, who extended a wel-  
come. Robert L. Hogg, manager and  
general counsel of the A.L.C. made his  
first appearance before a Medical Sec-  
tion meeting in his present capacity.

Dr. Livingston was elected to suc-  
ceed Dr. Bowman as a member of the  
advisory board of the Life Insurance  
Medical Research Fund for the term  
expiring Jan. 1, 1947.

Delegates to the October meeting of  
the Association of the Life Insurance  
Medical Directors are: Dr. O. S. Ran-  
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J. M. Livingston

## Mass. Mutual Parley Hears Maclean Talk on Sales, Future

**Company Shows 47% New Business Gain Through May 31, 1946**

A continued increase in sales volume and production which is keeping many companies from three to six months behind in issuing new business is not only an indication of a worthy achievement in itself but is additional evidence of the appeal of life insurance to the investing public, Alexander T. Maclean, president Massachusetts Mutual, said in an address before the company's Victory Club convention at Saranac Inn, Saranac Lake, N. Y. Mr. Maclean stated that his company has new business gains of 47% for the first five months and 72% for May alone, and that Massachusetts Mutual stands today in an even better position than at any time in the past.

He said that his institution has been strengthened in many ways that will of themselves generate strength in the future.

### Surveys Investments

Discussing investments in railroad bonds Mr. Maclean said: "We have recently seen that the railroads must increase their wage schedules, but the effect of this will not be as bad as would appear at first. The railroads will ultimately receive some compensating rate increase, and railroads are geared so that if they can show a fair volume of traffic they can survive under reasonable conditions. It is the volume of traffic rather than the amount of wages paid that governs the profits."

Sounding a warning not to overlook the small buyer, he said that life companies, as they grow, must keep their national responsibility in mind as well as their responsibilities to policyholders individually.

"We cannot continue to attract a large portion of the earnings of the public without incurring a responsibility for the investment of such funds that goes a little further than just finding a return on capital," Mr. Maclean said. "Neither can we leave the average citizen without insurance protection simply because we want to boast of a high average policy, and certainly we cannot put into the field representatives who are not able to give the public the kind of service they must have."

### Juvenile Increasing

The Massachusetts Mutual president said that better than one-tenth the 1945 business was on juveniles and that such a trend has far-reaching consequences to the underwriter and to the company.

In closing he made reference to fundamentals that sometimes are overlooked, saying that "no matter how much assistance your home office or your general agent may wish to render you, no matter how much helpful material may be supplied, your spot in the sun is in the presence of the prospect, and there you are entirely on your own."

Continuing his specific advice to his men Mr. Maclean said "you must stand or fall, depending upon your own knowledge, ability, resourcefulness, and self-confidence. The better an agent prepares himself to be completely self-confident and self-reliant, the stronger and more successful he becomes."

Chester O. Fischer, vice-president, discussed the strong upward trend of sales, and said that facts he obtained from several recognized sources show employ-

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## Conn. Mutual Centennial Breaks Attendance Record

ATLANTIC CITY—With an attendance totalling almost twice that of its largest previous gathering, held in 1941, Connecticut Mutual Life's centennial convention here chalked up a registration of nearly 1,000. Facilities of both the Ambassador and the nearby Ritz-Carlton were used, meetings being held at the former hotel.

This convention was originally scheduled for the Chateau Frontenac in Quebec, but several months ago it became evident that the double attraction of attending a centennial convention and the first gathering in five years was causing Connecticut Mutual agents to exceed even the high increases in new business registered by the life insurance business generally hence it was necessary to shift to a spot that could handle a good many more than 700 or so it had been estimated would qualify when the convention was planned for Quebec.

Convention sessions were held Monday, Tuesday and Wednesday mornings. There were four panel discussions the first two days and four speeches at the final session. The talks were by Vincent B. Coffin, vice-president in charge of agencies, pinch-hitting for Holgar J. Johnson, president Institute of Life Insurance, who could not be present because of illness; Charles J. Zimmerman, director of institutional relations L.I.A. M.A., who started in the field with Connecticut Mutual; Gov. Baldwin of Connecticut, who on completion of his term of office in January will assume his new duties as vice-president and general counsel; and James Lee Loomis, chairman.

A panel of home office executives in chatty and informal style gave out much useful and enlightening information on the company's activities. This panel, entitled "The Record of the Past Is Your Promise of the Future" was extremely well received, applause continuing much beyond that needed to express courteous appreciation.

Responding to questions put by Second Vice-president George F. B. Smith, each member of the panel told about activities in his department. H. N. Chandler, vice-president, brought out that the company has very few contested claims each year, its attitude being to seek rea-

sons to pay rather than to avoid payment. Even in borderline cases it tries to resolve a reasonable doubt in favor of the beneficiary, giving her full knowledge of her legal rights if she lacks it. While there is close cooperation between the claim and underwriting departments, the company does not try to salvage underwriting mistakes by severe claim action.

Mr. Chandler mentioned that 1945 death claims amounted to \$12,215,075 of which 52.7% was left under optional settlements. He contrasted this with 30 years ago, when only 2.2% was left under options. He ascribed this change to the public's being educated to think of insurance in terms of income rather than as a lump sum.

### Sees Bond Price Rise

Asked about interest rates, M. C. Dolak, financial secretary, said that if the Treasury does not provide any additional long-term bonds during the next 12 months, renewed upward pressure on bond prices seems probable later in the year. Interest rates depend greatly on the policies of the Federal Reserve banks and the Treasury and the general conclusion is that as long as the inflation danger continues the government agencies should stabilize both long and short term rates.

F. J. Eberle, vice-president in charge of mortgage loans, said much the same low-interest situation prevails in the city mortgage field and some large and well secured mortgages are being made at rates as low as 3%. There are many sources for good 3½% loans at present. Connecticut Mutual is not meeting this competition, but mortgage interest rates are lower than any time in history and there appears to be no change in the trend.

L. R. Martin, second vice-president and associate actuary, brought out that the company is setting up additional reserves. When optional settlement funds not involving life contingencies were shifted to a 2½% reserve basis in 1944, it required an additional reserve of \$2,500,000. However, he said there is no disposition to curtail the Connecticut Mutual's income settlement service.

(CONTINUED ON PAGE 21)

## 50% Increase in New Life Insurance in First Six Months

**Estimate \$163 Billion in Force at Mid-Year, Many Records Set**

Life insurance owned by American families will reach an estimated \$163 billion at mid-year, a new record, representing an increase of \$8 billion since January 1, the largest for any similar period in history, the Institute of Life Insurance, declares. Today's total of life insurance protection represents an increase of almost \$40 billion over the amount owned in 1941.

### Purchases at Record Level

Purchases of new life insurance in the first half of the year are estimated at \$11 billion, nearly half again as large as in the first half of 1945 and practically twice as large as in the first half of 1941. Greatest gains have been in ordinary, though group life has shown a marked recovery from the early setback which followed V-J Day.

With the increase in insurance owned, total assets of life business, largely representing policy reserves, will have increased to \$46½ billion at mid-year. This is an increase of about \$2 billion since the first of the year.

Holdings of U. S. government securities have increased \$900 million in the half year to approximately \$21,400,000,000. These securities still absorb a major part of available funds, accounting for almost half of investments made by the companies in the first six months.

Payments to policyholders and beneficiaries will total about \$1,450,000,000 in the first half of the year, an increase of more than \$75 million over the first half of 1945 and \$225 million more than the corresponding period of 1943. The increase over last year is due in

(CONTINUED ON PAGE 11)

## Prominent Figures at Connecticut Mutual Ceremonies



VIEWS AT CONNECTICUT MUTUAL'S CENTENNIAL CEREMONIES AT HARTFORD:

James Lee Loomis, chairman; Samuel T. Chase, Lake Forest, Ill., retired Chicago general agent, and Herman Wahlberg, superintendent of the building. (Mr. Chase represented the field and Mr. Wahlberg the home office in the laying of the bronze medalion in the terrace in front of the home office building. Mr. Loomis gave the dedicatory address.) Gov. Raymond E. Baldwin, who becomes vice-president and general counsel when he leaves the state house, Mrs. Helen Haefele, a member of the cast of "Going Places," and President Peter M. Fraser.



## NLRB Complaint Terms Ordinary Agent Employee

### Phoenix Mutual Charged with Unfair Labor Practice

The first hearing before the national labor relations board to hinge upon whether an ordinary life insurance agent is an employee of his company or an independent contractor, was concluded Monday in Chicago. Phoenix Mutual Life became respondent in the action after preliminary examination by the NLRB branch in Chicago supported the claims of two former Phoenix Mutual agents that they had been dismissed from the company in violation of the national labor relations act.

Presiding at the hearing was A. Bruce Hunt, trial examiner of the NLRB in Washington. Representing the complainants was Robert T. Drake, hearing attorney for the Chicago office of NLRB. Counsel for Phoenix Mutual were Richard V. Henry and another attorney from the Chicago law firm of Eckert & Peterson. Robert C. Sorensen had conducted the original field examination for NLRB.

### Intermediate Hearing

This was what is known as an intermediate hearing. Mr. Hunt's opinion is expected to be released within three months and the case will go before the board in Washington, if his opinion favors the complainants. If this decision also goes against the company, there is recourse to the U. S. circuit court of appeals and then to the U. S. Supreme Court. If either NLRB opinion goes against complainants, it is understood the case will be dropped.

Complainants are W. Donald Johnson and Clarence M. Davis, who say they were with Phoenix Mutual for 16 and seven years respectively before their contracts were terminated by the company in September, 1944. The agents, who were both members at the time of the Chicago-La Salle agency, alleged that they were fired because of their part in drawing up a letter to the home office asking for competent and permanent help in the cashier's department in their agency. They maintain their dismissal has worked unusual hardship upon them in that they have suffered substantial renewal penalties imposed upon them by the company. These penalties were outlined in contracts which both complainants originally signed. They also believe that they are entitled to some settlement on the substantial pensions which they built up in their years with Phoenix Mutual. Both worked on a pure commission basis. Mr. Davis is now with the Jamison & Phelps agency of Northwestern Mutual and Mr. Johnson with the Swanson agency of New England Mutual, both in Chicago.

In order to prove its case against the company, the Chicago office of the NLRB had to prove (1) that the alleged complaint was within the jurisdiction of the board, (2) that the complainants are employees, (3) that the activity in which they engaged was protected, (4) that their contracts were terminated because of activity on their part which is protected by the labor relations act, (5) that the work in which they engaged was commerce and that the act of the company in dismissing them placed a burden upon interstate commerce.

Using Mr. Davis and Mr. Johnson as chief witnesses, Mr. Drake, attorney for the board, concerned himself with show-

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## British 1945 Life Experience Shows Steady Increase

Life insurance in Great Britain in 1945 showed an increase both in ownership and benefit payments, according to the Institute of Life Insurance, summarizing experience of companies doing a substantial portion of that country's business.

Total premium income of these companies last year was 5% greater than in 1944 and 26% greater than 1939. Total policy reserves have shown corresponding increases both in the year and since 1939.

Payments to policyholders and beneficiaries for death benefits, matured endowments and surrender values totaled slightly more during the year than in 1944 and were about 7% greater than in 1939. Death payments were down due to the decline in war losses after V-E Day, but were still 10% greater than in 1939, reflecting the growth of the business since then.

### Cash Surrenders Up

Matured endowment payments increased 3% in 1945 and were 18% greater than in 1939.

Policy cash surrender value payments increased sharply as readjustment needs created emergency situations. The 1945 total was 41% greater than 1944, although only about half of 1939.

British life companies last year maintained their earning rate on invested funds, averaging 3.43%, about the same as 1944 and comparing with 3.81% in 1939.

There was little change in expense ratio, expenses to premium income being slightly lower than in the previous year for industrial insurance and slightly higher for ordinary. In both cases, however, it was lower than pre-war.

## A. & H. Association Mid-year Meeting at Miami Beach

Miami Beach was selected for the mid-year of the National Association of Accident & Health Underwriters next January, at the national council session which concluded its annual meeting in Denver last week. The invitation was extended by C. E. Waller, Professional Insurance Corp., Jacksonville, who said all of the accident and health men of Florida will be solidly behind the convention.

No definite invitation was received for the next annual meeting, although two or three associations are "on the fence," and final action on that was left to the executive board, which is to make the decision by Oct. 1.

For the first time in the history of the National association an election fight was carried to the convention floor. The fight was over the selection of the second vice-president as the advancement of the two senior officers was almost automatic. The executive board, which acts as the nominating committee, selected E. F. Gregory over Emerson Davis, Inter-Ocean Casualty, Dallas, by a vote of 8 to 6.

When its report was submitted at the national council meeting, M. F. Houston, Washington National, Kansas City, nominated Mr. Davis from the floor. G. H. Knight, Federal Life & Casualty, Cleveland, speaking in support of Mr. Gregory, said that at the executive board meeting, after Mr. Davis had been defeated for the nomination for second vice-president, a message from him was read, submitting his resignation as a member of the board. Mr. Houston then read a telegram just received from him withdrawing that

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## Payments, Credits Top 1945 Premiums

83.2 Cents of Income  
Dollar Returned. Total  
Reaches \$5½ Billion

Life companies last year paid or credited to policyholders and beneficiaries, through direct benefits or additions to policy funds, 83.2 cents of every income dollar, or 8.6% more than the premiums received, the Institute of Life Insurance reports.

Benefit payments and additions to policy reserves combined aggregated nearly \$5½ billion in 1945, compared with just under \$5 billion in 1944 and over \$4 billion in 1941.

Premiums accounted for 76.6 cents of the average income dollar of life companies, interest earnings making up 20.9 cents and other income 2.5 cents.

Payments to policyholders and beneficiaries absorbed 41.2 cents of the average income dollar in 1945 and additions to policy reserves took 42 cents, a total of payments and credits of 83.2.

The make-up of the 1945 income dollar is not much changed from that of 1941. In that year premiums accounted for 76.3 cents, and in 1944 for 76.5 cents.

On the other hand, there have been material changes in the uses of income. Additions to policy reserves, which absorbed 29.9 cents in 1941 and 39.5 cents in 1944, last year took 42 cents, a reflection of the increased number of policies in which reserves have reached larger proportions. Payments to policyholders and beneficiaries of 41.2 in 1945 compared with 41.5 in 1944.

At the same time there has been a reduction in the portion used for operating expenses and taxes. These required only 15.2 in 1945 as compared with 15.7 in 1941. Last year head office expenses including salaries accounted for 4.9 cents and agency expenses, including all salaries and commissions, 8.3 cents. Taxes represented 2.0 cents.

Total dividends to stockholders were 4/10 of a cent. Additions to special reserves and surplus funds in 1945 were 1.2 cents of the year's income dollar.

## Relief Act Guarantee Covered \$320 Million

WASHINGTON—The veterans administration says the government guaranteed more than \$320 million private life insurance in 514 commercial life companies and associations for approximately 85,000 persons, under the soldiers and sailors civil relief act. To May 1, VA says, beneficiaries of 1,630 policyholders received death benefits totaling \$3,845,000.

VA explains arrangements must be made within two years from date of a veteran's separation to pay indebtedness created while the government guarantee was in force. If the veteran does not pay premiums and interest, guaranteed, before expiration of this period, said VA, "the insurance company will treat the amount due as a policy loan."

VA added if the cash value is less than the amount due at end of the guarantee period, the policy will terminate and the government will pay the insurance company the difference between the amount due and the cash surrender value.

VA paid a total of 718 such claims to May 1 for cash settlement of \$80,923, and says "the government considers this amount as a debt due the United States by the policyholders."

Meanwhile 7,800 veterans have filed applications to withdraw the government guarantee, but more than 74,000 policies still are on VA's books for the guarantee.

## No Mountain Today

John C. Cottingham of Cincinnati, returned from military service and again a successful Penn Mutual underwriter:—

"The army proved to all of us just how much of the formerly impossible could be accomplished with a little eagerness and a lot of will. I learned to work a little longer and a lot harder because the army taught me the endless capacity of the human mind and body for work.

"I learned too that a surprisingly large number of men need to be told, not asked, to buy. They need to be called on the carpet about the shortcomings in their preparations for their family.

"Because the veterans carried government insurance, the sight of the average veteran has been raised. Ten thousand dollars is no longer a mountain of gold."

• • •

## THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Pacific Actuaries Ponder Guertin Law Outlook

At the meeting of the Actuarial Club of the Pacific States at Portland, Ore., George McAteer, actuary of the Washington department predicted that Guertin legislation would be acted upon favorably at the next legislative session in Washington and Charles M. Hansen, vice-president and actuary of Reserve Loan Life, said that the Texas companies are in favor of the legislation, but that there might be modifying amendments of a minor nature to meet requirements of some purely domestic companies.

In his speech, Alfred N. Guertin, American Life Convention, pointed out that the proposed uniform legislation had yet to be passed in 15 states. He said that much of the criticism against the proposed legislation, in states such as New York, is based on the fallacious assumption that life insurance companies originated the legislation. As a matter of fact, he said, it was originated by the N.A.L.U. for the two-fold purpose of basing reserves on a modern mortality table and separating reserves from surrender values.

It was brought out that a number of states, including Arizona, North and South Dakota and Wyoming have not passed the legislation because there has been no one to exert there the effort necessary to have it introduced into the respective legislatures of these states. L.I.A. is taking steps to see that the uniform bills are introduced at the next session in these states, it was pointed out.

### Policy Statement

Considerable discussion was devoted to the formulation of a statement describing the manner in which non-forfeiture values are reached. In this connection, Bruce Shepherd, L.I.A., read the resolution which had been presented to the commissioners eliminating technical language in a life insurance policy by referring to the "commissioners non-forfeiture value method" with the appropriate numerical factor on the basis of which values are calculated. He said such a statement would make it possible to check values in the policy to the nearest cent, thus complying with the intent of the law. He indicated that the resolution was not passed at the commissioner's meeting because of lack of time to give proper consideration to the resolution.

Albert Pike, Jr., L.I.A., gave a report on the possible effect of the California unemployment compensation disability benefit law on group coverage. He said that under the new law, which provides disability income benefits for unemployment resulting from disability, it is permissible for private carriers to provide required benefits. Individual employees of employers who subscribe to private plans which meet the requirements of the law, may be relieved of paying part or all of their share of unemployment insurance taxes.

### Gunn on Private Plans

Marcus Gunn, vice-president and actuary of California-Western States Life, pointed out the need for making every effort to provide benefits under private plans in a more efficient manner than the state can provide them through its unemployment administration. He said it is planned to have numerous private plans available by the time the law becomes effective in 1947.

Other subjects which came under general discussion at the meeting included on-the-job training, underwriting practices and expenses with emphasis upon recent experience and trends.

Standard of Oregon entertained all members and guests at a banquet at which Commissioner Thompson of Oregon was guest of honor. Included among the guests was Raymond Strong of the Texas department.

## Goldstein Explodes 22 Pension Trust Fallacies

STORRS, CONN.—Saying there are a great many fallacious ideas in the minds of employers with reference to pension and profit-sharing plans, M. M. Goldstein, director Pension Planning Co. of New York City and general agent of Connecticut Mutual Life, controverted with facts more than a score of these fallacies during his talk at the first Chartered Life Underwriter Institute held here at the University of Connecticut.

Following is the list of fallacies and a summary of Mr. Goldstein's answers:

1. "We can get along without a pension plan." No, people grow old and there are only four choices: fire them, keep them on the payroll, pension them out of payroll, or have a pension fund. Once an employer has decided against firing superannuated employees, either because of humane company policy or because of union pressure, some kind of pension becomes inescapable.

### "Pay-As-You-Go" Is Bad

2. "We should pay pensions out of payroll on a pay-as-you-go basis." This is bad because it causes a steady drain on overhead in good and bad years alike and is more costly to stockholders than a pension plan when taxes are considered. When there is a pension fund the interest it earns is tax free. Also the company can put more money in in better years when taxes are the highest.

3. "Our turnover is so high that we can't afford a pension plan." But the very fact of high turnover can mean lower pension costs if the employer confines the benefits to those who stay long enough to get the pensions.

4. "We can't undertake a fixed commitment." It is not necessary to do so either for tax purposes or for actuarial soundness, so long as the aggregate and average payments are sufficient to provide the desired benefits.

### Accrued Liability Problem

5. "We cannot finance the accrued liability for past services." This bugaboo is frequently based on misunderstanding of what this item really represents and the funding method often has a major influence on the solution. For example, self-administration permits the funding of past service benefits while full past service benefits are being paid out. The same is true of deposit administration group annuity plans. It also might be true of typical deferred group annuities with the past service benefits funded on the "oldest first" principle. This involves paying for those 65 and over first and then for those of successively younger ages as the employer makes his contributions for past service benefits

from time to time. The level premium retirement income policy is the least flexible in this respect.

6. "We must have liberal death and severance benefits in our pension plan." There is no requirement for these under the tax laws or the funding methods of insured or self-administered plans. Death benefits and vested severance rights are desirable if the employer can provide these extra benefits and still pay the cost of an adequate pension and disability plan. Otherwise he must make the hard choice of spreading his limited amount of dollars in accordance with "first things first."

### 96% EXCLUDED

7. "Our pension plan should be confined to those earning over \$3,000 a year." This usually means about 4% of the employees, so 96% will have no benefits when they grow old in service or become disabled. Thus, if the employer doesn't expect to fire the survivors of this 96% he has only the three choices: keep them on the payroll, pension them out of payroll, or set up a pension fund.

8. "Social security takes care of those who earn below \$3,000 a year." Social security does not. Figures show that retired employees cannot live on social security benefits alone, so they will generally resist retirement unless there is a supplement to social security. Therefore the employer cannot solve his superannuation and disability problems without a supplementary plan.

9. "There is only one good funding method." This is a mistake. The first thing to do is to determine the employer's needs and budget. That sets up the specifications of benefits and the contributions and these in turn will determine the funding method. Hence the funding method is the last step in the process of pension designing.

10. (In regard to amending existing pension plans) "Half a loaf is better than none." The answer is yes, to the extent that some funding is better than none, but no as respect solving the retirement problem, for unless benefits are adequate employees will generally resist retirement.

11. "A pension of 25% of average pay is enough." The usual objective is one-half of average pay or one-third of final pay. These are the minimum generally found necessary to have a plan effectively solve the employer's problem of graceful retirement of superannuated and disabled employees.

12. "Nobody should have a pension of

(CONTINUED ON PAGE 23)

## Mass. Mutual Plans for Writing Group Are Announced

Details of the new group coverages that will be written by Massachusetts Mutual, and of the field organization that it is building up countrywide in the group department, were related by Thomas J. Connell, manager of the group division at the home office, at the Saranac Lake, N. Y., agency convention.

The company will write group life on 25 lives or more under three classifications: 50 lives and more; special form of group on 25 to 49 lives, inclusive, and employees life insurance in an individual policy form for employer-employee groups.

A creditor life contract covering small loans and instalment purchases also will be issued.

There will be a complete line of group casualty coverages, Mr. Connell announced, including accidental death and dismemberment, accident and sickness, hospital insurance and surgical expense coverage on employees and their dependents, and medical expense coverage on employees.

Massachusetts Mutual will write group annuities with rates based on the 2 1/2% standard annuity table set back one year, and also group level premium life insurance in whole life and paid up at 65 contracts, and a combination of level premium group life and group annuity for retirement plans, which in some instances will include group term.

R. J. Ardison, agency assistant and head of the pension trust department in the home office, discussed pension trust and profit sharing plans telling how each operates, with advantages and disadvantages.

### Personnel Arrangement

It was announced Harold Sullivan is assistant manager of the group department and C. G. Hill, assistant actuary, has been assigned to the department. There will be six regional group supervisors, who are:

Walter A. Waldron, New England territory, including New England states and New York state outside of New York City, Westchester county and the Buffalo area; Frank A. Conerton, middle Atlantic area, including New York City, New Jersey, eastern Pennsylvania, Delaware, Maryland, D. of C. and Virginia; Stanley Johnsen, southern territory; Edward Behrens, central territory, with headquarters at Cleveland, including Ohio, western Pennsylvania, western New York, West Virginia, Kentucky and Michigan; midwest, William Shean, with headquarters in Chicago, including most of Illinois, and also Indiana, eastern Iowa, Wisconsin and Minnesota, and territory west of the Mississippi, with headquarters in Kansas City, in which area a supervisor soon will be appointed.

## Homer C. Parker, Ga. Commissioner, Is Dead

Homer C. Parker, comptroller general and ex-officio insurance commissioner of Georgia since 1936, died in Atlanta. Governor Ellis Arnall and other high state officials attended the funeral. Burial was at his home town of Statesboro, Ga. Mr. Parker was a veteran of the first world war, served as mayor of Statesboro, adjutant general of Georgia and was a member of Congress for two terms.

His death followed an illness of several months, and only about a month ago he withdrew from the campaign for reelection to his position, for which he had announced. Last week he underwent an amputation of his left leg. Governor Arnall ordered the State capitol closed for the day on account of Mr. Parker's death.

## New Officers of N.A.L.U. Host Body



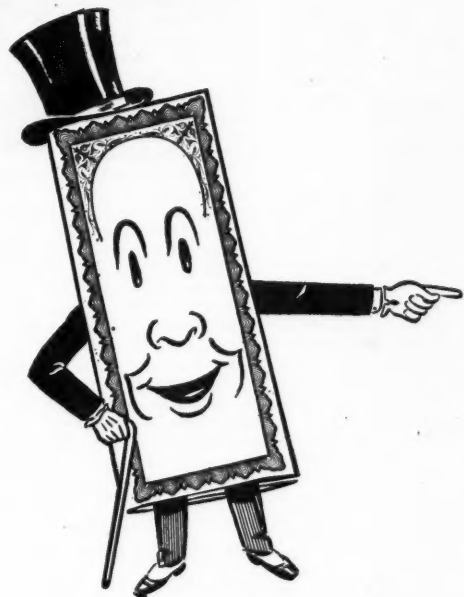
NEW OFFICERS OF CLEVELAND LIFE UNDERWRITERS ASSOCIATION:

Treasurer, Leo Driscoll, John Hancock; second vice-president Frank Taylor, Mutual Benefit; president, Donald E. Hanson, Aetna Life, and first vice-president, John N. Lenhart, New England Mutual.

Newly elected directors are George Plante, John Hancock; Myron Kelsey, Prudential; Clarence Williams, Mutual Life, and Jack Doyle, Northwestern Mutual. Membership now exceeds 800. The Cleveland group is intensively making plans to be hosts in September for the convention of the N.A.L.U.



## Picture of a successful policy



**HOW EFFECTIVE** is the policy of *consistently* advertising in The Saturday Evening Post?

During the past ten years, the ten regular insurance advertisers have followed this policy. In fact, they have placed more of their advertising in the Post than in any other magazine.

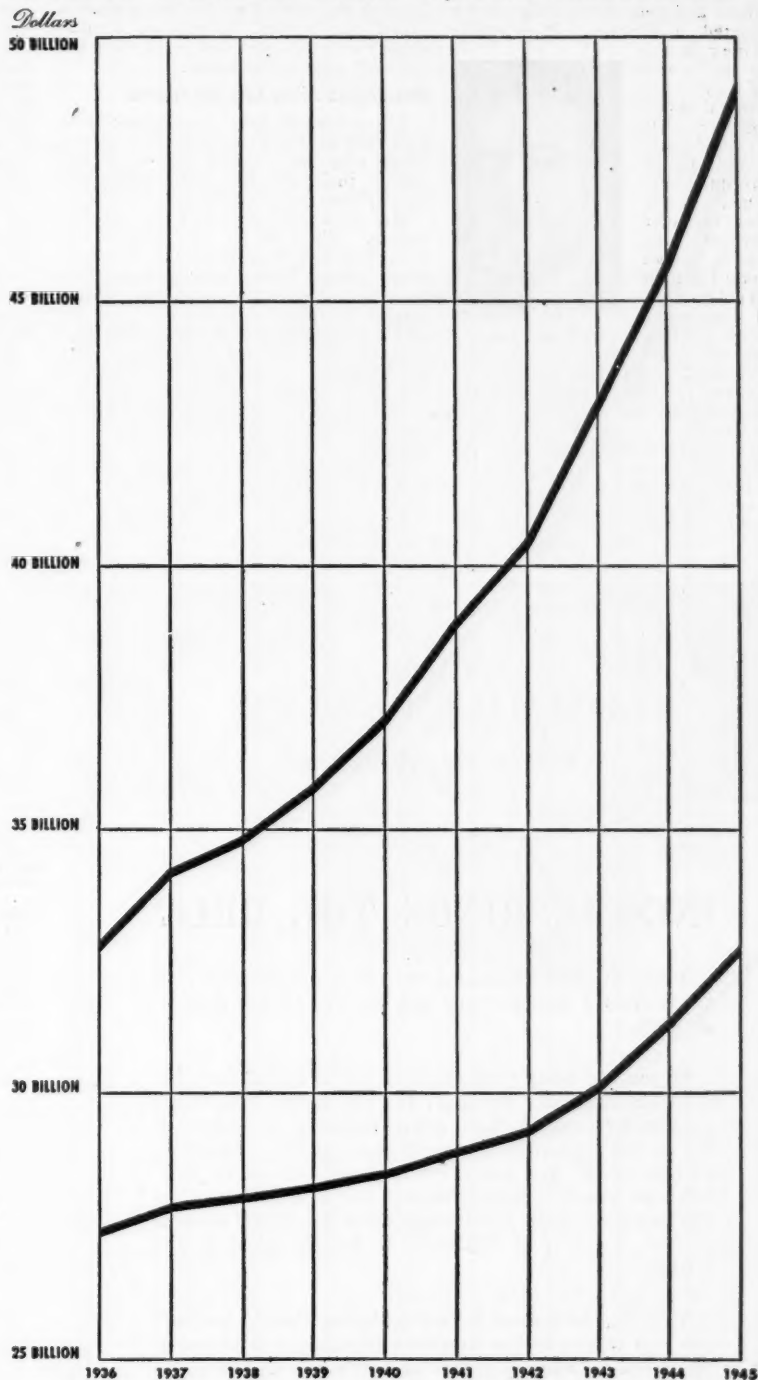
The result can be seen in the chart at the right. We think it offers ample evidence that—

► **Advertisements in the Post reach the best prospects—the people whose education and income are well above average.**

► **Advertisements in the Post get attention. People like to read ads in the Post—far more than in any other magazine.**

**It pays to have the Post pave the way**

**GRAPH SHOWS THE GROWTH OF ORDINARY LIFE INSURANCE IN FORCE (IN BILLIONS OF DOLLARS) WITH LEADING LIFE INSURANCE COMPANIES DURING 1936 AND THROUGH 1945**



**Consistency is the best policy!** For ten years, the growth of ordinary life insurance in force among the ten regular Post insurance advertisers has been 302% greater than that of the fifteen inconsistent or non-advertisers.

THE SATURDAY EVENING  
**POST**

## Unique Chicago Life Office Writes All Insurance Lines

A unique and very interesting agency is conducted in Chicago. It is unlike any other in the city for the most part. There are some general insurance agencies that have life departments and all of them are quite successful. L. S. Broaddus, manager of Guardian Life, so far as is known is the only life man who conducts a general insurance department writing all kinds of insurance. That is, he has two departments in his agency. One is purely life, the other includes all the miscellaneous insurance lines.

He operates on a brokerage basis. All the agents are brokers. He handles the details, remitting net premiums to companies and general agents, collects any money due on these transactions. He

handles the renewals. He takes what is called the general agency or regular agency commissions and his agents get the brokerage commission.

### Position of Most Life Managers

Life managers for the most part insist that their agents write only life business. They take the ground that they will impair their life insurance production by dabbling in other lines.

Mr. Broaddus now has 14 full-time agents. There is no one earning less than \$3,600 a year from his insurance transactions, life and miscellaneous. Mr. Broaddus relies on his fire, casualty and marine connections to give full service to his people and to provide any extra demands that are made. In this system, the miscellaneous companies are sure to get their remittances on time and are also impressed with the prompt correspondence and transaction of other details.

Mr. Broaddus takes a broad position that a life agent is not satisfied unless he receives enough income to make a comfortable living. That is one of the great



L. S. Broaddus

problems, he declares, that managers have to face. Many agents go along getting such life insurance applications as they can, but often there may be a lapse of several days before any application is taken.

In Mr. Broaddus' system he insists that there should be an application of some kind written every day. That keeps the salesman's appetite whetted. Agents are buoyed with the thought that they are selling something right along and getting paid for it. They are encouraged by the very results of regular sales. They are not thinking about getting enough to pay the bills next week.

Mr. Broaddus finds, too, that by writing miscellaneous lines, an agent becomes what might be called "the insurance man" to policyholders. He wants his men to be known as "the insurance man."

### Develops Close Relationships

In the miscellaneous lines there are necessarily a number of contacts that have to be made from time to time in the way of getting endorsements, looking after claims, giving advice as to values, new features, etc. Mr. Broaddus finds insurance men writing all classes are close to their customers. Therefore, it is very easy to approach the policyholder on life insurance because the agent is dealing with him right along and he does not have to resort to any unusual procedure to get a hearing.

Mr. Broaddus' agency is growing rapidly and his agents are closely tied to his office because they have so much at stake and cannot afford to go elsewhere. He feels he has built an agency of satisfied agents. Some of his agents are stars in the miscellaneous lines as well as life. His whole theory is based on the thought that if a life agent is doing any kind of insurance business and making money, he will write more life insurance through his connections.

### Half Pint of Liquor in Car Doesn't Invalidate Cover

The mere fact that there was a half-pint of liquor in a policyholder's automobile at the time of the collision which caused his death does not entitle an insurer to deny liability because of the policy provision excluding death "while the insured is engaged in any violation of law," the Mississippi supreme court held in *Lamar Life vs. Bounds*. The case involved a claim under the double indemnity provision.

The court held that the liquor had no causal connection whatever with the collision and death and did not materially increase the risk. The life company contended that no causal connection had to be shown. The beneficiary, however, pointed out that the right to deny liability depends on whether death is an occurrence "resulting from" the excluded activities. The beneficiary also contended that any purchaser of a policy would normally understand that there must be some causal connection. The court affirmed the judgment for the plaintiff.

The court pointed out that there are so many statutes and regulations that few would accept a policy that could be invalidated by some violation having no causal connection and not seriously increasing the hazard. The case is reported in 11 CCH Life Cases, 792.

### Salary Reports Released

WASHINGTON—Reporting individuals receiving from corporations compensation for personal services in excess of \$75,000 for the calendar year 1944, the Secretary of the Treasury has made public the following figures among many others:

J. N. McEachern, Industrial Life & Health, salary \$84,959; William Montgomery, Acacia Mutual Life, \$75,000 salary, other compensation \$200, total \$75,200; LeRoy A. Lincoln, Metropolitan Life, salary \$125,000.

## Ewing Becomes Executive V.P. of Travelers Companies

Esmond Ewing, who has been vice-president of Travelers Fire and Charter Oak, has been elected vice-president of Travelers and Travelers Indemnity and on July 1 will assume administration of the three agency departments of the Travelers companies. He will have executive direction of production of all lines of insurance and surety bonds.



Esmond Ewing

Mr. Ewing has a background of local agency, field and home office experience. After graduating from Vanderbilt University, he began his business career in the local insurance agency of W. D. Gale & Co., now Gale, Smith & Co., Nashville. He next became special agent for Royal in Tennessee, Alabama and Arkansas, and in 1925, joined Travelers Fire as district manager of the southern department at Atlanta. He went to the home office in 1927 as manager of the southern department and was later appointed secretary of the department. He then became vice-president in charge of underwriting and home office administration, and still later vice-president in charge of fire and marine.

### Takes Organization Leadership

Mr. Ewing has taken an active part in the National Board of Fire Underwriters, having served as chairman of two standing committees, and is now a member of the executive committee. He has been chairman of the Insurance Executives Association, president of the Eastern Underwriters Association, chairman of the governing committee of the Interstate Underwriters Board, and has held office in other company organizations. He has also been chairman of the insurance committee of the U. S. Chamber of Commerce. He is a director of the First National Bank of Hartford, the Underwriters Salvage Co. and the Fire Companies Adjustment Bureau.

### Insured Plan for Welfare Employees Is Expanding

NEW YORK—National Health & Welfare Retirement Association, organized last October for the benefit of employees of hospitals, health and welfare agencies, is receiving contributions at the rate of \$1,800,000 a year and employees are covered by \$12 million of death benefit protection, it was reported at the annual meeting here. The pension and death benefits are reinsured with John Hancock Mutual Life.

The association was established under the sponsorship of the National Association of Community Chests & Councils because of the need of a retirement system for workers in welfare organizations throughout the country, who are not covered by social security. Negotiations are under way with the American Hospital Association to make the plan available to hospitals throughout the country belonging to that organization.

### Borchardt Heads Mich. Actuaries

Alvin Borchardt of Nelson, Schleh & Borchardt, former actuary for the Michigan department and now consulting actuary in Detroit, was elected president of the Michigan Actuarial Society at its annual meeting in Detroit. Ralph Wade, Michigan Mutual Liability, Detroit, is vice-president; W. F. MacCurdy, Liberty Life & Accident, secretary; and C. W. Solenberger, Michigan department, treasurer.



## INCOME RINGS THE BELL

There are two kinds of income — and only two: one stems from a man at work and the other from dollars at work.

If you can bring your client to see this solid fact, he must automatically arrive at the conclusion that when his earning power is worn out or impaired or destroyed the second type of income must be ready and waiting to go into effect. And you carry in your head and in your briefcase the most perfect answer to this problem — for life insurance pays NO income when it is NOT needed so that it can pay MAXIMUM income when it IS needed.

This idea of income is fast replacing the old goal of piled-up wealth in the American thinking, and becomes thereby a valuable ally for the underwriter. His merchandise is designed as an income-producing plan, more truly than is any other type of investment.

Your prospect will build his conception of life insurance as you guide him. If *your* conception is of a nature to match his conscious or subconscious goal, your story will take concrete form as an application in your pocket.

Insurance in Force, May 31, 1946 — \$283,557,012

**COMMONWEALTH**  
LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President



## Recruiting and Training Clinic Held in Los Angeles

LOS ANGELES—The agency management clinic of the Life Insurance Managers Association, with Walter J. Stoessel, National Life of Vermont, as chairman, took up the three phases of agency management—recruiting and selection, training and supervision, and building and maintaining morale.

It was the consensus that opportunities never have been better for agency expansion and building, with so many high grade men available, and that only those well qualified should be recruited.

Telegrams were read from C. D. Connell, president N.A.L.U.; Hugh Bell, chairman general agents section N.A.L.U., and J. M. Holcombe, managing director Life Insurance Agency Management Association.

Kellogg Van Winkle, Equitable Society, chairman of the panel on recruiting and selection, said his company requires satisfactory completion of the Steward tests before a man is hired. It makes no difference whether the man is to be financed or is on a straight commission basis, he must show aptitude for the business or he is not placed under contract.

Mr. Van Winkle gave the experience of his agency for 15 months from Jan. 1, 1945, through March 31, 1946, in which his agency contracted 44 agents. In order to secure these, 479 men and women were interviewed and 133 completed the Steward tests. Of the latter number, 63 did not make a satisfactory grade, and of the 70 who by the tests were indicated as suited for the life insurance business, only 44 were selected.

Mr. Van Winkle's agency finds the best source of new agents is from recommendation of his present agency force.

### Hammond's Selection Test

W. M. Hammond, Aetna Life, Los Angeles, said he found the best source of prospective agents was from agents under contract. He uses aptitude tests, credit report and surety bond, but places much reliance in the simple selection guide which he always has followed, which is to ask himself the question, "Would I want 12 men like the one I am considering. Would I be willing to finance that many?"

Charles E. Cleeton, Occidental Life California, started his agency in Los Angeles 11 years ago and has 26 full-time agents. He relies on aptitude tests in selection, and his best new agents have come from agents in his agency. He believes these men have a better chance for success, as they have a natural sponsor in the agent who brought them in, and this sponsoring agent sees to it the new man gets off to a right start in the business and has good standing with the other agents. Mr. Cleeton's company offers a bonus of \$150 to the agent who brings in a new man who pays for \$3,000 premiums in his first year, and \$300 for \$6,000 of premiums. This makes lending a helping hand pleasurable and profitable.

Mr. Cleeton said he never has secured an agent from a newspaper ad, and never has hired an agent as a result of premium stuffers asking for recommendations going to policyholders. Almost all his men have come from his own agents and personal contacts.

Mr. Cleeton finances agents but has an inflexible rule never to finance one who comes to him from another company. If this man didn't succeed with the other company and was in need of financing, he was better off in some other business, Mr. Cleeton said.

All the panel agreed that no agent should be hired without interviewing his wife. Mr. Cleeton said one can find out a great deal about a man when crossing the threshold into his living room, and if the wife has no interest in her husband going into life insurance, if her attitude was negative, the agent has two strikes against him.

In the open forum discussion on re-

cruiting and selection it was brought out that not only are ex-service men going into the business in large numbers, but there are many men past 35 who are disturbed in their employment situation today and can be interested in life insurance selling. In answer to a question as to the best age, it was agreed that is between 25 and 35.

On the question of salary vs. advance

against commission, it was brought out that often social security is a very important factor in a prospective agent's setup, and to offer him the advantage of continuing his social security benefit, which is done on the salary plan of compensation, has strong appeal.

Rolla S. Hays, New England Mutual, president California Association of Life Underwriters, was chairman of the afternoon panel on training and supervision. Three members represented three different types of agency training and supervision.

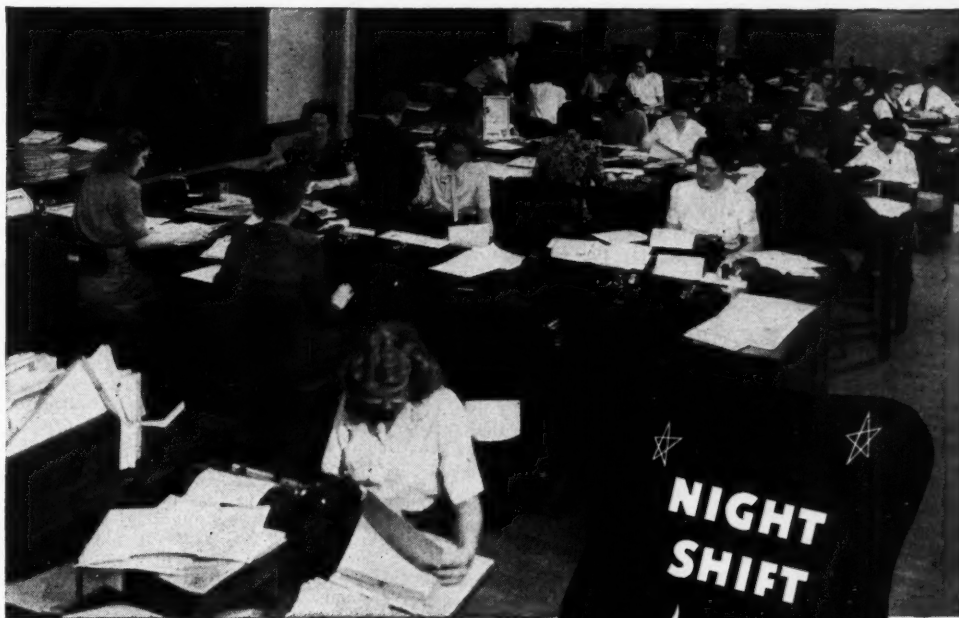
The procedure of the program agency was presented by Weymouth L. Murrell, Mutual Benefit. He described his pro-

gram of six weeks in the office and his agency's emphasis on selling skills. It is necessary to secure a high type of men qualified to do program work with men in the upper income brackets, he said. In recruiting it is necessary to fit the man to the agency plan of operation, rather than to have several different types of selling and training going on at the same time.

### Should Be 50-50 Deal

Mr. Murrell said in financing the agent should be willing to put up half of his required income, otherwise he is not sufficiently interested in the business.

(CONTINUED ON PAGE 24)



We have a problem—all because we are growing so fast. While the industry as a whole showed an Ordinary first quarter increase of 49%, we recorded a phenomenal 100% increase in paid business. First year premium income per month this year has been greater than for the entire year 1939. More clerks are needed, more desk room required, to issue this flood of business.

With people already working in the hallways and corridors, we just ran out of hallways and corridors. But service to representatives is a Franklin fetish.

### So we put on a night shift!

A group of skilled, experienced, people works three nights a week, concentrating on the issuance of one contract—our unique President's Protective Investment Plan. More and more of this remarkable contract is being sold. And we intend to give our representatives prompt service, if it means desks on the roof!

One of these days our new eleven-story building addition will be completed. Then it will again be easy to give the type of service to which our representatives have been accustomed, and which we intend to give—even if it takes a night shift.



*The Friendly*

**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$375,000,000.00 Insurance in Force.

# California Plan Is Illuminated

## Pat Merrick Answers Many Questions on Unemployment Compensation Disability Procedure

Those interested in accident and health insurance, while at the commissioners convention at Portland, held an enlightening conference with Pat Merrick of the California unemployment compensation disability system. Mr. Merrick outlined the new program with particular reference to the problems involved in setting up and operating voluntary insured plans as is permitted as an alternative to state fund coverage. He is well informed and is cooperating to the utmost with private insurance people in the interest of promoting the use of the voluntary route.

### Formerly C. of C. Man

He was formerly legislative representative of the California State Chamber of Commerce handling workmen's compensation matters particularly.

Mr. Merrick pointed out that the new scheme applies the concept of unemployment compensation to disability. The stabilization commission, he declared, desires to assist insurers and employers.

The weekly benefits range from \$10

to \$20 and the total annual benefits from \$168 to \$468.

To be entitled to benefits the employee must have earned at least \$300 during the base period. That is the first four of the five quarters preceding the date of filing notice of claim. To recover the person must be unemployed and suffering disability.

Recovery on account of pregnancy is limited to disability existing after the fourth week following the termination of pregnancy. There is no recovery if the individual is receiving workmen's compensation benefits or straight unemployment insurance, such, for instance, as under the GI bill. There are no moral exclusions, as for example drug addiction, alcoholism, attempted suicide.

Accompanying the first claim for benefits must be a certificate from a physician, osteopath or chiropractor licensed in California. Those who rely on spiritual healing may furnish a certificate from a practitioner of their faith. So far the Christian Scientists are the only ones in this category to indicate interest in getting the certification of their practitioners approved.

### Must Give Edge Over State

To initiate a voluntary plan the employer or a majority may create a program and submit it to the state agency for approval. A voluntary plan must in all respects be equally as generous as the state plan and in at least one respect must be more liberal. The plan must be available to all employees. The law specifies that such a plan, once installed, must be continued in force for at least two years.

A voluntary plan may be insured or self insured. To self insure there must be deposited an amount equal to .5% of covered payroll for the preceding year.

An assessment of .02% of covered payroll will be collected to defray the state's costs.

The question may arise as to probationary periods in insured plans, Mr. Merrick said. The answer may lie in continuing under the state plan until the probationary period has been completed.

There is the important consideration of terminal liability. An individual may be entitled to benefits even though he has had no covered employment for 18 months and he could be drawing benefits 25 months after he was last employed.

The solution here he suggested may be found in the state establishing a bookkeeping account for each employer. Debited against him would be payments that the state fund has to make to his former employees who were under a voluntary plan during the base premium paying period and credited to him would be payments made by private insurers to employees who were covered under the state plan during the base period. The latter circumstance might arise when a plan is switched from state to voluntary and the end of the fifth quarter comes under the voluntary installation.

The rub is that while the state will collect debits from the employer, the state is not empowered to make payment for credits to the employer. The hope is that the credits and debits will balance one another. If there is an excess of debits over credits the state will collect, but if the credits exceed the debits the state makes no payment.

Where a disabled worker has had a variety of employment during the year, the benefit payments will be prorated. For instance, on account of an employee who received \$100 wages while insured under Plan A, \$500 while under Plan B, and \$1,000 while under the state plan, Plan A would pay 1/16 of the benefits, Plan B 5/16 and the state 10/16.

Another problem arises because of the fact that the outside limitation on which the employee contribution is made is \$3,000 of salary. An employee may receive

that amount in a few months and then change jobs. If he became disabled while in the new position he would collect from his new employer's insurer, but the latter would have received no premium from him. This would be serious only when an entire group were switched from one plan to another.

The diversion of the 1% tax upon employees from the old straight unemployment compensation fund to the new disability fund became effective May 21, 1946. Under a voluntary plan the employee is excused from making such payment to the state. There is no limitation upon the employee paying more than 1% to the voluntary plan nor upon employer contributions.

Benefit payments start May 21, 1947, unless California is successful in getting return of its \$104 million contribution under the old setup from the federal trust fund. If that is returned the benefit payments will start earlier and voluntary plans will be permitted to go into effect on the same date.

### Bills in Congress

Bills are in Congress for return of the \$104 million and Mr. Merrick said the outlook for passage is more hopeful than it was.

The act, he said, requires the form of policy issued under voluntary plans to be approved by the insurance department. Commissioner Garrison has stated, according to Mr. Merrick, he doesn't apprehend any insurmountable obstacles in this connection but he does favor legislation giving the department specific authority to act and removing this cover from any statutory connection with regular A. & H. business.

Various regulations will be issued following hearings to be held, probably during August and late July. The C.I.O., he said, fought the provision permitting voluntary plans and they will protest whatever regulations are promulgated and will go to the appeals board. But, he predicted, there will be little trouble there.

### Adverse Selection

Mr. Merrick referred to the provision that the use of voluntary plans shall not be such as to cause adverse selection against the state fund. Mr. Merrick voiced the belief that this provision is meaningless and can be disregarded.

In answer to a question, Mr. Merrick said that recovery under a conventional disability policy does not prevent an individual from recovering under the state disability plan. The situation here is comparable to a person owning regular life insurance and coming under the OASI section of the federal social security act.

One question yet to be determined is whether an employee whose salary is continued as a gratuity by his employer during disability is entitled to recover under the state plan. This gets down to a definition of what constitutes "regular wages."

The state does not intend to define what shall constitute greater benefits

such as shall meet the requirement that a voluntary plan must be superior in at least one particular to state fund cover. Such superiority could be provided in numerous ways. For instance a voluntary plan might guarantee benefits even though the employee is also receiving another type of unemployment compensation.

The benefits must be stated as "unemployment compensation disability benefits," and must be provided separately from group life or other types of group disability protection.

F. J. Marryott, Liberty Mutual, asked about cancellation provisions. Mr. Merrick said this is an open question. So far there has been no solution. There is no provision in the law for cancellation, but neither is there anything to prevent it.

Mr. Merrick said that every insurer to whom he has talked has indicated it is studying the field and some are undertaking to devise policies. One member of the group said he understood Benefit Association of Railway Employees is ready to go. Life Insurance Association of America has been pursuing the matter closely. Association of Casualty & Surety Executives has left it up to the individual company members. Health & Accident Underwriters Conference has done little on it yet.

Harold Gordon, H. & A. Underwriters Conference, asked whether at least for the small employer a uniform policy would not be desirable.

Mr. Merrick replied that the state would like to see as few forms as possible.

Mr. Gordon asked what would happen if a group of employees desired to have a voluntary plan, but the employer was opposed. Mr. Merrick answered that this would be a matter for collective bargaining. The state will require evidence that a majority of employees desire a voluntary plan.

George Manzelmann, president North American Accident, with a smile, said: "It looks to me as if we have a hell of a potent new competitor in California in the form of the state fund."

Mr. Merrick insisted that everything possible will be done to promote the use of voluntary plans.

One of the group who is exceptionally well informed on the subject is John P. McFarland of the San Francisco law firm of Burbank, Laumeister & McFarland.

### Negro Insurers Meet July 9-12

National Negro Insurance Association will hold its first annual meeting in two years July 9-12 in New York City. Among the speakers will be Mayor O'Dwyer of New York City, Superintendent Dineen, Congressman Powell and Lieutenant Governor Handley, all of New York. Keynote address will be delivered by Norman Houston, president of Golden State Mutual. Albert N. Guertin, actuary of the American Life Convention, will speak on non-forfeiture laws and valuations, and Allyn P. Evans, vice-president Lionel Edie Co., will discuss investments.



ILLINOIS INSURANCE DIRECTOR AND TWO FORMER DIRECTORS AT N.A.I.C. MEETING AT PORTLAND:

Nellis Parkinson, present director; Paul F. Jones, Danville attorney, and Ernest Palmer, counsel of Warner reciprocals, former directors.



NOW IS THE TIME TO RENDER A GREAT SERVICE BY CALLING ATTENTION TO T. D. 5515.

WHY IN THE WORLD should a man leave fully taxable income from investments when with life ins. under proper options, he can leave tax-free income?

THE ANNUAL LEVY ON A TAXABLE monthly income of \$300 is \$714.40, over a 25-year period, \$17,860.

ON LARGER TAXABLE INCOMES, the savings are material. For example, on a taxable income of \$1,000 a month, \$96,900 is saved in 30 years.

COMPARE THE UNCERTAINTY of taxable income from investments with the certainty of tax-free life ins. income. Then add the savings, and you have an unchallenged answer.

IN TD 5515 IS A POWERFUL MESSAGE FOR THE MAN WHO CAN LEAVE HIS FAMILY EVEN AS LITTLE AS \$100 TAXABLE INCOME A MONTH.



PAUL SPEICHER  
Managing Editor

THE INSURANCE  
RESEARCH & REVIEW SERVICE  
INDIANAPOLIS



## Lumb General Agent in Grand Rapids

New England Mutual's Grand Rapids office has been elevated to general agency status. Fred A. Lumb, former associate general agent in Harrisburg, Pa., has been appointed general agent. The agency will serve western Michigan from its present offices at 818 Michigan Trust building.

William H. Strahan, special agent for the company in Grand Rapids for 27 years, will be senior representative in the new agency.

Mr. Lumb, who returned from navy service recently, entered life insurance nine years ago and had 300 consecutive weeks of production before he was assigned to management duties. In service he was communications officer on the light cruiser Concord, and later became benefit and insurance officer at Great Lakes separation center.

## W. S. Fuller Retires as Prudential Chicago Manager

Maj. W. S. Fuller, manager of the Prudential agency in the Field building, Chicago, is retiring July 1, having reached the retirement age. Major Fuller is one of the old-timers in the business. He started in Chicago with Connecticut Mutual Life and then joined the Jesse Smith agency of Prudential. He made an excellent record there and was appointed manager at Davenport, Ia. Later he was shifted to Cincinnati as manager and then, following Mr. Smith's death, he was given the management of the Chicago agency. His son, Brooks Fuller, was associated with him in agency management.

## Honor Lacy in May

California-Western States Life experienced the biggest month in its history in May. New business of \$7,562,000 was written in honor of President O. J. Lacy. This was a 74% increase over the same month last year. May was set aside by the field force to honor President Lacy on his 12th anniversary with the company. The theme was "Roses in May for O. J.", and a rose card was attached



to each application written. Paid business for May of \$7,424,360, an increase of 153% over May, 1945, also exceeded all former records. Insurance in force increased \$24,214,166 the first five months to \$341,001,606.

Hawaiian Insurance Agencies, Ltd., under Manager M. A. Bott, led with more than \$600,000 written business. A. E. Gaumer of northern California was the leading agent.

Robert E. Murphy, vice-president and manager of agencies, is shown in the picture presenting President Lacy with packets of rose cards which had been attached to applications.

## Must Pay Double Indemnity for War Training Death

A clause excluding liability for double indemnity for death resulting, directly or indirectly from war or any act incident thereto encompasses, besides combat casualties, only such other deaths as result in immediate support of operations against the enemy, or from enemy action not in combat, such as the sinking of a troopship or from other activities peculiar to war.

This was the theory upon which the

federal court at Chicago held against New York Life in an action brought by John P. Hooker, Chicago real estate man, to recover double indemnity under a \$10,000 policy on his son who was killed in an accident during training maneuvers in New Zealand. The death, according to the court, did not result from an act incident to war.

To hold that only war-time training is incident to war is to rewrite the "war" clause in the policy in terms of "military service in time of war."

On the other hand, the exception in this case was not written in terms of

"death in action" and this court does not wish to be understood as so limiting it.

The beneficiary was represented by the Chicago law firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse.

## S. F. Agency Is Active Again

The San Francisco agency of Manhattan Life, virtually closed down during the war because its personnel were in service, is now back into active operation with Neville Woodruff back from service. Vergil Pedigo has been appointed agency supervisor.

# Good Citizenship in Action--

### HOW TO PLAN YOUR LIFE INSURANCE IN TIME OF WAR

If you are here enough to insure protection in long your family on its last day, in case of your death, we do not urge you to buy more at this time but recommend that you get the money you would normally expect to contribute toward your family's future.

If your family is not so protected, it is your duty to your nation as well as to your dependents to do your best to insure against their being a burden on others during their long life of war's duration. There is only one way to do this—through life insurance.

However, under today's conditions we suggest you approach the purchase of life insurance differently than in normal times. Of course the price you pay should be to your credit, and by no means should the price you pay be paid for by the government.

### SOCIAL SECURITY

a blow at mankind's ancient enemy

In January 1937, the company, in its national advertisement, welcomed Social Security to the American scene. We felt then, as now, that through the law the nation had struck a blow at an age-old and dangerous enemy—old-age poverty.

Social Security is not yet a perfect instrument. But the company and common sense of the American people should realize, improve it. We look forward to the day when a blend of these programs will cover every American family.

This will save money. For Social Security is paid for by the company's own resources, but the company is paid for by the government. This, the company believes, is a fair arrangement.

### Some men will never want to go in business for themselves

Perhaps we should have said that men.

There is nothing wrong with this. Business organizations, large and small, need able men, and will pay for them. Many a man finds a fine and satisfactory career in another man's payroll.

But some men are so sure of their ability to make their brains pay that a direct profit—an important of the delay in their own business is worth the risk of failure—that they cannot

### TO SERVICE MEN AND WOMEN

### Don't give up your National Service Life Insurance

Some of you have earned your National Service Life Insurance as long as four years. At times it may have seemed to you a pretty big credit out of your pay each month. And now that you are through with that like or almost through, there may be a temptation to drop your service life insurance.

Don't do it. Hold on to it. It is your insurance because the Federal Treasury backs it.

In the first place, it is your most valuable asset. Insurance bought later to replace a National Service Life Insurance is more expensive. And if you should become uninsurable, you will certainly lose your money. It will certainly cost you more. Few people regret leaving life insurance. But many a man has regretted not having a policy bought in or early after his first year of service.

Your present National Service Life Insurance policy, provided by

### A STATEMENT OF MANPOWER POLICY

NORTHWESTERN NATIONAL LIFE's management firmly believes that the best interests of the agent, the policyholder, and the public are served when life agents are in every respect independent businessmen standing on their own feet. In our opinion, the development of such strong, successful independent businessmen requires the highest type of home office leadership we can bring to the task. To that end:

- We are providing our agents with the most thorough and practical education we can give to help them become independent business men of their own.
- We are encouraging the widest range of new and old agents to enter the life field and when a new agent enters the field, we will do our best to help him through, and we will do our best to help him through, and we will do our best to help him through.
- We are providing our agents with the most thorough and practical education we can give to help them become independent business men of their own.
- We are encouraging the widest range of new and old agents to enter the life field and when a new agent enters the field, we will do our best to help him through, and we will do our best to help him through, and we will do our best to help him through.
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### Why you should not drop your payroll savings plan

You may be ready to drop—now that the war is over and hand money is so easy to come by. But the systematic saving and put the money in your pocket. But look at it this way:

You've found an easy, automatic way to save money. You've even a comfortable looking of War Bonds accumulating interest every day.

You've gotten along without the money. You've gotten along without the money. You've gotten along without the money.

THESE are headlines of a few of Northwestern National Life's advertisements which have appeared in various publications during the past few years. Each of these advertisements expresses an idea—a point of view—on a subject of timely importance to life insurance policyholders and the nation as a whole. Giving currency

to such ideas through advertising is just one way in which NWNL discharges its obligation as a good citizen—an obligation this Company believes rests on a business institution no less than on an individual.

We will gladly furnish reprints of any of these advertisements on request.

## NORTHWESTERN National LIFE INSURANCE COMPANY

O. J. ARNOLD • PRESIDENT



MINNEAPOLIS • MINNESOTA

## Dineen Lays Down Special Probe Procedure

NEW YORK—As a result of his examination of the record of the Missouri rate case, Superintendent Dineen of New York has laid down a special procedure for examiners to follow in reviewing companies' disbursements exclusive of expenses in connection with settling losses or traveling expenses of personnel.

The instructions point out that the department's plan for reviewing such disbursements should provide for a closer inspection of such items as payments of more than \$100 in connection with any matter before legislative bodies, officers, or departments of government during the period under examination; payments other than salaries exceeding \$250 each or \$5,000 in the aggregate during the year; all payments made for legal expenses which exceeded \$100 or aggregating more than \$5,000 for year, excluding payments in connection with settlement of losses, claims and salvage under policy contracts; and all payments since the last examination in excess of \$500 a year to trade associations, service organizations, statistical, actuarial or rating bureaus.

Examiners are to determine that the data supporting the disbursements reveals the payee's name, amount paid, occasion of the expense and who authorized it. Test checks are to be made to determine that amounts charged to such expenses represent proper charges for the purposes indicated.

The following general plan is to be employed by examiners: All disburse-

ments of smaller companies are to be reviewed but with larger companies, where the volume of items makes this course impracticable, the examiner in charge will determine the extent of the review to be made. The review should be of sufficient scope to satisfy him that the insurer under examination is making payments under proper authority and recording sufficient information and supporting data to describe properly the transactions.

Where spot checks are made they are to cover key months in the period since last examination, this procedure being supplemented by a complete review of the important disbursement accounts for the period and in addition by a perusal of the cash book for a trace and check of unusual items not otherwise covered in the review.

### Life Company Procedure

On examination of life companies, non-profit hospital service corporations and medical expense indemnity corporations, the review of supporting data for disbursements made during the period under examination will include a check to determine that items which should be reported in schedules J and K of the annual statement blanks of such insurers have been reported and properly. Audit reports prepared by independent auditors and covering the period under review will be inspected to acquaint the examiners with the facts revealed by various interim audits.

Should reviews disclose possible illicit payments or suspicious items, the examiner in charge is to discuss them with a responsible official of the insurer involved, and, if a satisfactory explanation is not forthcoming, he is to discuss them with his chief examiner for disposition and treatment in the examination report.

Mr. Dineen at Portland submitted a

copy of these instructions to the examination committee and requested that consideration be given to promulgating parallel instructions to those conducting convention examinations.

## Revised Commission System Asked by N. Y. Association

A resolution has been passed by the Life Underwriters Association of New York City, criticizing current commission systems as "completely inadequate as applied to present day conditions," and recommendations for changes are made.

Agitation for changes in the commission system have been under way with the association for nearly a year and at a general meeting last fall, a heated discussion on this topic took place, but no definite steps were taken.

The resolution asked that the entire commission system be reviewed and revised, and that whatever changes are made, the new system provide: (1) that the soliciting agent be paid at first year commission in renewals the maximum limit allowed by the law of New York state; (2) that also agents be compensated by a service commission or persistency bonus of not less than 2% for service rendered during the premium paying period and that such service fee be retroactive and not apply merely to new business subsequently acquired; (3) that companies adopt substantial retirement or pension plans with some provision to permit application prior to age 65; (4) that companies be urged to provide a basis for financial stability of new agents on a salary basis using very careful selection, thorough training and supervision.

## Progress Ashbrook Keynote; Marks 25 Years with N. Am.

Charles G. Ashbrook this month is marking a quarter century with North American in an affiliation which has seen him rise from clerk in the medical department through various higher positions until in 1944 he was named a vice-president.

Joining the company directly from Denison University Mr. Ashbrook's first promotion was to manager of the renewal department. He then was elevated to manager of agency service, originated the company publication, "Spotlight," was editor of the field service course, and in 1928 became assistant superintendent of agencies. In 1932 he was appointed superintendent and manager of the home office personnel. Shortly after that he was elected to the board of directors.

A resident of Crystal Lake, Ill., Mr. Ashbrook has gained prominence as a civic leader. He has three children, Lois, Lois Ann and Charles, Jr., and is now a grandfather as well.

## Americans Now Living Over 65

Average life expectancy in the United States exceeded age 65 for the first time in 1944, according to Metropolitan Life statistics. The nation's military personnel were included in the evaluation. The actual figure of 65½ years exceeds the 1900 expectancy by 16 years. Persons of age 20 today have as much life ahead of them as the average newborn child had at the turn of the century. At that time only three quarters of the babies would reach age 25, whereas today three quarters of the babies can expect an average life of 57 years.

The company also reports that smallpox reached its lowest ebb in 1945 after showing a steady decline in incidence for some years. Only 346 cases were reported in the nation last year. There were 48,920 cases reported as recently as 1930. Last year the District of Columbia and 13 Atlantic seaboard states were entirely free of the disease. 1946 figures cannot be as low as last year in view of the outbreak of virulent smallpox on the Pacific coast which was attributed to ill servicemen returning from the Orient.

## U. S. Interests Eye Disposal of German Firms by Neutrals

WASHINGTON—Important German insurance interests in Switzerland will be disposed of for the benefits of United States, Britain, France and Switzerland if the agreement between them is ratified as expected by the Swiss parliament.

Disposition of these German interests affords opportunity for American interests to participate in acquisition of the same, according to the State Department.

Considerable interest has been manifested by American groups in the disposition of Union Reinsurance of Switzerland in which Munich Reinsurance has had a controlling interest. Numerous inquiries from Americans have been received concerning possibility of purchasing Union or participating in any new company that may be formed.

Disposition of German interests in Sweden and Spain may offer similar opportunities as the German industry had penetrated Sweden particularly. A Swedish government mission is now here negotiating with the State Department. Negotiations with the Spanish government have not yet begun.

## Make Arrangement with Swiss

It is understood at the department that Union Reinsurance has been a profitable company. Its original capitalization was 10 million Swiss francs, and it is reported to have assets running into the millions. Some authorities here believe the company will be liquidated.

While they say that insurance companies in Switzerland are mostly owned by Swiss, German interests will be taken over by a Swiss governmental agency under the joint agreement.

## Penn Mutual Sets Up Policyholders Service Unit

Penn Mutual has inaugurated a policyholders service bureau to improve service and ensure more effective assistance and special consideration to individual insurance problems. It is in charge of Frank B. Runyon.

This is an outgrowth of the company's war service bureau.

Mr. Runyon has been in life insurance many years. During the war he wrote and edited "Answers to Servicemen's Questions," "Now That You're Out of the Service" and several other war service publications.

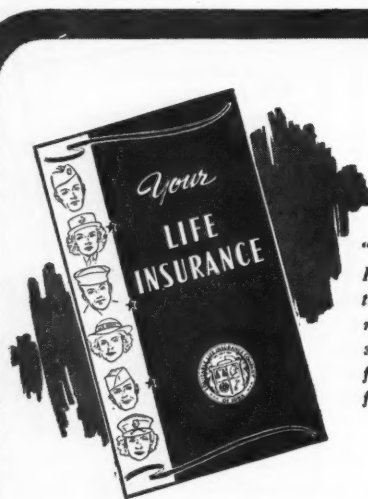
## New D. C. Medical Care Plan

WASHINGTON—Members of the District of Columbia Medical Society have approved creation of a limited prepaid medical care plan, providing for coverage of groups of 10 or more, or 50% of a group in any one establishment. Coverage is for surgical, obstetrical, laboratory, x-ray and anesthetic services in hospitals, while other hospital facilities and general medical costs are excluded. Secretary Theodore W. Wiprud of the society, however, said that "as soon as conditions warrant, it will be expanded to include medical service."

The monthly rates are 75 cents for a single person, \$1.50 for a married couple, \$1.75 for a family group. Annual limits are put upon services at \$300 for a single person, \$400 per couple, \$500 per family. Subscribers will have free choice of participating doctors.

It has been proposed that the plan be administered by Group Hospitalization, Inc., the Blue Cross plan.

Harry Becker, president of Group Health Association, Inc., which supplies medical service to its members on a prepaid basis, welcomed the new plan, which may compete with GHA, as indicating recognition by more physicians of the problem of consumer financing of medical care.



*"The new booklet, YOUR LIFE INSURANCE, is just what returning servicemen want and need. Please send me a supply so that I may give copies to friends now being separated from the services."*

And so, in substance,

have read numerous letters from our men returning from the armed forces, following their receipt of the Company's new booklet on National Service life insurance.

Information and advice, if sufficient and impartial, is always appreciated. That is why the life underwriter leaving the services, and his friends, regard *Your Life Insurance* so highly. This booklet concerns itself with only one subject: the returning serviceman's life insurance problems. It clearly outlines the benefits of National Service life insurance and urges the serviceman to retain and convert to a permanent plan his government policy, and it tells him how to do that with a minimum of effort.

# EQUITABLE LIFE OF IOWA

Founded 1867

Home Office

Des Moines



## 50% Increase in New Life Insurance

(CONTINUED FROM PAGE 2)

large part to the greater volume of policy cash surrenders. These aggregate over \$150 million for the first six months, up about \$40 million over the first half of last year. They are still, however, about half the volume prior to the war.

Death benefit payments have been at about the same level this year, with only a small carry-over of war claims included.

Payments to living policyholders are about \$775 million for the first half, about \$75 million more than the first six months of 1945. This year payments to living policyholders are running more than half of total payments to policyholders and beneficiaries.

## Miami Beach for A. & H. Salesmen's 1947 Parley

(CONTINUED FROM PAGE 3)

resignation and stating that he would be in position to serve as an officer if elected.

The vote was 27 for Gregory and 26 for Davis.

There was some criticism of the number of proxy votes cast at this election and it was stated that a movement would be put under way to propose a constitutional amendment to bar proxy voting hereafter.

## Action on Agents' Proposals

The recommendations of the personal producers group to the National association were presented at the national council meeting. The incoming president was authorized to name a special committee to study the proposals and report at the mid-year meeting. It was also directed that a copy of them be sent to each local association, with a request for consideration and recommendations. It was pointed out that some of them would require changes in the constitution and by-laws and therefore, if approved, should be referred to the by-laws committee.

Those suggested by the agents' group for membership on the committee were David H. Stein, Pacific Mutual Life, Denver; Marie Berggren, Mutual Benefit Health & Accident, Butte, Mont.; L. H. Gilles, Postal Life & Casualty, Kansas City, Kan.; E. J. Lambartson, Great Northern Life, Lansing, Mich.; R. R. Noll, Mutual Benefit H. & A., Kansas City, Mo.; C. M. Barricklow, Business Men's Assurance, Ponca City, Okla.; Margaret E. Olson, North American Life & Casualty, Minneapolis, and S. A. Hemphill, Great Northern Life, Enid, Okla.

Mr. Stein, in speaking for the recommendations, said the agents are "not starting any unions," but that if the proposals were "railroaded out," they would be forced to take "action of another nature, which we don't want to take."

"The agents are the lifeblood of the business," he declared, "and we demand our rights."

A resolution proposed by A. R. Sanders, Great Northern Life, Atlanta, which was adopted, urges that accident and health companies initiate a broad and comprehensive program of national industry advertising, so that the general public may be educated "to realize the high ideal of public service that is the basic foundation and aim of the accident and health business."

## Equitable Vets Show Big Sales

Statistics on a representative group of 24 Equitable Society veterans show a 40% increase in production over their last pre-war year. In the last pre-service year they wrote about \$4,300,000. Their post-service production this year to date is approximately \$6,100,000.

## Philadelphians Score High on Quality Awards

PHILADELPHIA—Installing a new panel of officers and directors, headed by H. Sheridan Baketel, Jr., manager of Union Central, the Philadelphia Association of Life Underwriters in its final meeting of the season received tribute for its accomplishments under the leadership of retiring President Albert C. Adams, John Hancock Mutual.

Quality awards to 85 members were presented by Lawrence J. Doolin, Fidelity Mutual Life. He called attention to the fact that the 3,700 quality awards represented 8% of the N.A.L.U. whereas Philadelphia's recipients represented 11% of their association. Penn Mutual men captured 26 of the 85 awards.

Glenn W. Isgrig, Cincinnati manager of Reliance Life, was guest speaker and his retirement income sales talk was as entertaining as it was instructive.

Mr. Adams was presented an inscribed gavel. Following the meeting, he gave a cocktail party, welcoming the new officers and directors.

## C. F. Hobbs Not to Seek Reelection in Kansas

Charles F. Hobbs, Kansas commissioner of insurance since 1928, is retiring and is not a candidate for reelection. Giving health as his reason for not entering the race, it is understood that Mr. Hobbs expects to take a vacation and rest of at least six months before returning to the insurance business. He had been a local agent at Baldwin before his election 18 years ago. Candidates for the Republican nomination for the office are Frank Sullivan, Lawrence, and James F. Gardner, Arkansas City.

## Four Named to Insurance Society of N. Y. Board

Four prominent insurance men have been elected to the board of the Insurance Society of New York. They are Vincent Cullen, president National Surety; Ralph H. Blanchard, professor of insurance at Columbia University; James E. Bragg, manager Doremus-Bragg agency of Guardian Life, and Clarence J. Myers, secretary New York Life. All other officers were reelected.

## National Fidelity Lease

National Fidelity Life has made a favorable lease with the Kansas City Title Insurance Company with respect to the ground floor levels of its home office building. The space includes the first two floors and a mezzanine, and the lease will run for a period of 20 years from Jan. 1, 1949.

## Hinkle Agency Is Winner

Leading Pan-American's field organization in the number of earned prize credits during president's month "Victory Parade Campaign" the Hinkle agency of Pennsylvania qualified for the 1946 president's honorary award. President Crawford H. Ellis presented the trophy to Charles G. Hinkle.

## Add Western Life to Leaders

Western Life of Montana, which had \$15,158,226 insurance gain in 1945 was omitted from the company ranking in 1945 table, which was in the May 1 edition of THE NATIONAL UNDERWRITER. Western Life should have been in 88th place for insurance gain and in 98th for insurance written with \$21,212,000.

## More Veterans Finish Course

Twenty-one veterans have completed the third home office refresher course of Union Central Life to be held this year. The ex-servicemen were welcomed back to the company by Wendell F. Hanselman, superintendent of agencies and vice-president, who, with other company officials, conducted the three-day course.

## In 55 More Years We'll Be A Hundred...

We will celebrate our centennial about 2002 A. D.

There ought to be plenty to celebrate because already . . .

- We have more than a billion and a half dollars of life insurance in force, which ranks us 18th in this respect.
- We have more than \$500,000,000 Ordinary in force.
- We have the largest Industrial accident and health business in the world.
- Our total assets are approximately \$200,000,000.
- Our percentage of life insurance gained for the past ten years is first in the business.

You are all invited to the celebration.

*The*  
**NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.**



NASHVILLE TENNESSEE

## EDITORIAL COMMENT

### Where the Premium Dollar Goes

There is always a question in the minds of purchasers of insurance as to just where the premium dollar goes. This is the case in all classes of protection. The Institute of Life Insurance has analyzed for 1945 the insurance dollar and tells where it went. It shows for example, out of every \$100, 76.6% constituted the amount received from policyholders, 20.9% was investment earnings

and other income received by the companies was 2.5%.

The benefit payments were 42.2%, the amount set aside for policy reserves 42%, that makes a total of 83.2% for policyholders. The home office operating expense amounted to 4.9%, agency 8.3%, total 13.2%. Taxes and other items were 2.4%, there was added to special reserve and surplus 1.2%.

### "Leaners" in Insurance

An executive was speaking the other day about what he called "leaners" in the insurance production field. He was asked to explain the term and he said a "leaner" is one who is not very capable, does not know his business thoroughly, relies very much on what he calls cultivating prospects, taking them to meals, buying drinks and resorting to avenues other than service to gain his end. He said that these men, therefore, are forced to lean on somebody else. They are not able to give their policyholders real service because they do not know the way. Therefore, they are compelled to get in contact with someone who can answer questions and give advice.

According to this observer, most of the so-called "booze fighters" in the insurance field are leaners. They will rely very much on getting their business and getting their clients closer to them at the bar. He said that all "booze fighters" with whom he had been acquainted in the insurance business are leaners.

Unfortunately, he stated, companies in their eagerness for business will try to

stimulate these leaners. They will give them encouragement, pat them on the back and thus promote the plans of business getting that they follow.

After all, there is very little place or none for what this executive called "leaners in the insurance domain." More and more, it is apparent that the salesman who is getting business that sticks and pays relies very much on his service giving capacity, his knowledge of the business, his ability to diagnose the insurance needs of a prospect or client. Every person is cognizant of a master in his particular vocation. The man who is a master who knows his business and knows how to adapt it to its special use will find listeners. Insurance in its manifold varieties and its wonderful protective form speaks for itself. It only needs its spokesman who can take its various contracts and fit them to the individual, personal or his belongings. A man who can work out an insurance program that applies to a person to whom he is talking does not need any artificial stimulants to get business.

### Income from Investments

If there has been doubt in anyone's mind as to the serious problem of investments for life insurance companies, he has only to study the statistics of last year and anyone would find that the earning rate of life funds are at a new low, 3.07%. It was not many years ago that many companies were on a 3½% basis. It was the legal rate of interest which they had to earn to meet the demands of the life policies. Then companies began to be more conservative and hit the 3% figure. Now many are on the 2½% and even 2% basis.

There is no secret among life insurance executives about the investment problem. It is very difficult to get the right investments that are safe, secure and yet earn even the so-called legal rate of interest. Many companies have pur-

chased large sums of federal bonds earning 2½%. Life companies, it might be said, regard these 2½% federal bonds as their best purchases at this time. It has long been a question among the executives of life companies as to whether the basis of investments should not be enlarged, that is, should not the life companies be allowed to purchase certain investments not now permitted by law. Many still stick to the old conservative opinion that common stocks should not be permitted in life insurance portfolios. There has been a change in sentiment in some circles in this regard, as many people believe that the highest forms of common stocks can be regarded as safe. Here and there the smaller companies have been able to pick up a block of securities from estates or other sources

that pay a more reasonable rate, but these are scattered. Companies are eager to get a chunk out of any issue of bonds that are regarded as secure.

Taxes will not decrease and interest yield will not increase for at least some time. Therefore, even under these unpromising conditions regarding invest-

ments, life insurance itself is undoubtedly the best form of investment that can be made by the average individual. He is in a far less advantageous position to purchase securities than the life companies' investment experts, who have their eyes wide open at all times for those that are desirable.

## PERSONAL SIDE OF THE BUSINESS

**Jackson Maloney**, superintendent of agents of Philadelphia Life, is in the hospital there, having gone through a number of tests preparatory to an operation.

**John J. Caplice**, agency secretary and advertising manager of Standard of Portland, is returning home by motor with Mrs. Caplice after having visited in Oshkosh, Wis., with Mrs. Caplice's family. En route east, Mr. Caplice made several agency stops.

**Frank K. Rader**, new president of Conservative Life of West Virginia, which has been taken over by Dallas Rupe & Son, investment bankers of Dallas, resigned as professor of organization and finance at Southern Methodist University to take the job. A native of Lewisburg, W. Va., Dr. Rader holds degrees from the University of Virginia, University of West Virginia, and S.M.U., where he had been on the faculty for 20 years. He has been a policyholder in Conservative Life for 28 years.



F. K. Rader

**C. Milton Sherman**, Toledo estate analyst, has qualified for the 1946 Million Dollar Round Table. It is his second consecutive year of qualification.

**George W. O'Shaughnessy**, director of education and publicity of Security Life & Accident, has returned to his desk after an illness that necessitated hospitalization.

**President O. J. Lacy** of California-Western States Life is on a trip to Texas. He will return about July 5.

**Dwight H. Sayward**, Maine general agent for John Hancock Mutual, was feted on his 30th anniversary in the business by a group of about 50 insurance friends at Portland. Chairman was Edward F. Kelley.

**Mrs. Mabel Bennett**, agent of Pacific Mutual Life, has been selected as Fort Worth's most outstanding woman, for her valuable contributions to the city's civic betterment. She has been particularly active on the housing authority board.

**Horace A. Hildreth**, director of Union Mutual, won the Republican nomination for governor of Maine. Gov. Hildreth seeks a second term.

**E. A. Roberts**, president of Fidelity Mutual Life, was principal speaker at the seventh district GYRO convention at St. Paul. Mr. Roberts is a past president of GYRO International.

**Dr. and Mrs. Charles C. Beach** of

Hartford both observed their 90th birthdays recently. Mrs. Beach is the daughter of James G. Batterson, founder and first president of Travelers. Dr. Beach is still active as consulting medical director of Travelers. They celebrated their 62d wedding anniversary June 17.

**Carl Adams**, Cleveland manager of Ohio State Life, Monday commemorated his 36th anniversary with the company. He joined the field force at Lodi in 1910 and moved to Cleveland in 1914.

**Maytor H. McKinley**, chairman of Constitution Life, was elected president of the Advertising Funeral Directors of America at the annual convention in Baltimore. He is president of Utter-McKinley Mortuaries, Los Angeles.

**Harry E. McClain**, former Indiana commissioner, was nominated for secretary of state in the Democratic state convention held Tuesday in Indianapolis. He is now executive secretary of the Indiana Association of Insurance Agents.

**H. L. Amber**, president of Berkshire Life, has been elected president of the Pittsfield Chamber of Commerce. He is also president of Pittsfield Taxpayers Association.

**Charles E. Becker, Jr.**, son of the president of Franklin Life, who has returned from service, has joined the company and is learning the business from the ground floor up. He is now giving special attention to the agency department. Before he went into service, he was at the home office so he is not entirely new to life insurance procedure.

## DEATHS

**Edward A. Crawford**, 56, administrative vice-president of Life of Virginia, died at his home in Richmond of a heart attack. For some years he was in charge of industrial production. He joined the company as an agent in Chester in 1908, and had been a member of the home office staff here since 1914.

### Set High Goal for J. T. Allen

**J. T. Allen**, general agent for Kansas City Life in Colorado, Wyoming and Montana, is celebrating his 35th anniversary with the company, and his agents set a production goal of \$750,000 for June.

At the time Mr. Allen assumed the general agency Kansas City Life had just entered Colorado and was virtually unknown. He had no life insurance experience. His agency now has \$50 million in force, the largest volume in force built under the continuous leadership of any general agent for this company.

## THE NATIONAL UNDERWRITER

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### BRANCH OFFICES IN KEY CITIES

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**BOSTON 16, MASS.**—80 Boylston St.—Room 1227, Tel. Hubbard 8696. William A. Scanlon, Vice-President.  
**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yellowlees, Advertising Manager.  
**CINCINNATI 2, OHIO**—420 E. Fourth St.

Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor.  
**DALLAS 1, TEXAS**—802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.  
**DES MOINES 12, IOWA**—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.  
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Resident Manager.  
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**NEW YORK 7, N. Y.**—99 John St., Room 1103, Tel. Beekman 3-3558. Editorial Dept.—R. B. Mitchell, Eastern Editor; Kenneth O. Force,

Associate Editor. Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.  
**PHILADELPHIA 9, PA.**—123 S. Broad Street, Room 1127, Tel. Pennypacker 3706. E. H. Fredrikson, Resident Manager.  
**SAN FRANCISCO 4, CAL.**—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.



## Keen Competition Looms in Mass Pension Field

NEW YORK—The next year or so promises to be an interesting period of evolution for pension plans. There is keen competition among the various types ranging from self-administered plans and group annuities in the large corporation field down to individual policies used as a basis for retirement plans where smaller groups are to be covered. With the passing of easy war-time profits and big tax incentives employers have no choice but to do their pension-plan buying on a completely realistic basis.

One thing seems certain, and that is that the rich pickings for the individual agents who, without any particular qualifications, could walk in and write a big pension trust case on the individual policy basis, seem to be definitely over. Even for the agent who got such a case its value was illusory.

While the first year commission on such a case was large it may have represented a big portion of his year's business because of the time it took to work up the case—not to mention the time spent to work up all the other cases that did not materialize. Then, because of the vast amount of service on such a big case an inordinate amount of his time is taken in subsequent years. The result has been that quite a few of such pension trust clients have been forced to turn to one of the pension specialist organizations and pay a fee to obtain the type of service they need.

### Middle Ground for Rivalry

While group annuities are not practicable for the smaller pension cases nor are individual contracts well adapted to the very large corporations' needs, there is a middle ground of intense competition. In addition, between the regular group of annuity and the usual individual contract there are such intermediate plans as the group-permanent and special modifications of individual policies to adapt them better for pension use.

The argument for an individual policy is that it provides immediate insurance protection, the usual combination being \$1,000 of insurance for each \$10 a month of retirement income; a guarantee that the rate will not be increased during the life of the policy; level premium financing; and ease of handling if the insured employee leaves the company's employ. He just takes his policy with him and takes over the premium payments if he wants to keep it in force.

The disadvantage often cited against the retirement income type of pension plan is that it lacks flexibility. It is also pointed out that if a function of the retirement plan is to keep key men from leaving the company the younger key men cannot be given a very attractive pension policy without being given a very large amount of life insurance. Some employers feel that the key personnel should buy their own insurance rather than having it through a group plan except as respects the amount usually provided in a group insurance program.

In order to give a young man \$100 a month pension he would be given \$10,000 of life insurance. On a man making \$200 a month this is the equivalent of about 4 years salary, which is too much to be tied up with an employer-sponsored insurance plan, some people feel.

If the employer wants to give a string on his valuable men so as to retain what has been set up for them in the event they leave, it is almost essential to set up a trust and of course that costs money. Those who favor group annuities point out that under the group annuity arrangement the insurance company takes care of the trustee's functions.

Proponents of group annuities argue that this form of coverage is specifically designed for the underwriting of groups and is not an attempt to adapt a policy

originally designed for individual coverage. The aim is retirement pay for all employees and the plan is entirely divorced from life insurance, although there is usually group life insurance coverage also, or perhaps a salary allotment plan.

Another advantage cited for the group annuity is that all employees are taken in whereas with policies written individually some employees cannot qualify for the life insurance portion. The rejection rate sometimes runs as high as 20% on individual policy plans, perhaps 2 to 2½ times the regular rejection rate in the same company. This is due to the fact that when an agent ordinarily submits an individual policy there is a certain amount of pre-selection. That is, he does not submit a case that he knows has an unfavorable medical history or for some other reason would be rejected by his company.

Another advantage claimed for group annuities is that they are better adapted to salary increases or decreases.

On the score of expense it is pointed out that individual policies produce a very large remuneration, about 30%, in the first year and on additional benefits in subsequent years, with a renewal rate usually 5% for nine years and perhaps a service commission after that. Group annuities pay 3% on the first \$100,000 of consideration and 1% on the next \$400,000 with an even lower rate after that with a renewal of never more than 1%.

Regarding the problem of termination of employment, if the employer vests his entire contribution with the employee, the cost is higher than it would be with non-vesting. If the non-vesting practice is followed, with individual policies the returns to the employer are pretty small during the early years. Commissions and costs eat up so much of the premium that there is not much left whereas under a group annuity plan the return would be about 9% of the contribution.

As to rates the employer under the individual policy plan has the undisputed advantage that he knows that the cost is not going to exceed the gross premium. On the other hand, group annuities have the history of continually increasing premium rates and group annuities are not usually guaranteed for more than five years. However, if there is a sizable group the average age will not change much and the increase in the cost will probably be fully offset by returns due to withdrawing employees.

Meyer B. Goldstein, director of the Pension Planning Co., of New York, has worked out a combination of ordinary life policies with self-administration designed to overcome some of the disadvantages of the retirement income type of policy. It is particularly aimed at taking care of the possible inability of an employer to make the necessary contribution each year. Where a plan using retirement plan policies is in existence the policies, for those who are insurable, are converted back to ordinary life policies in the same insurance company dated back to the original age and date of issue.

The amount of cash refunded is put into a self-administered pension trust fund invested in securities, usually United States government bonds. At retirement the pension to be paid each employee comes partly from the option values in the ordinary life policies and the balance from the self-administered pension account. If desired the cash from the pension account could be used to purchase an annuity from the insurance company.

Group permanent has tried to incorporate the best features of both ordinary and group insurance, providing cash values, vesting, and little or no surrender charge. Group underwriting methods are used.

### Prizes for Suggestions

Prudential personnel have been awarded \$1,720 in prizes in a home office suggestions contest. The 106 winners competed in the contest during May. President Carol M. Shanks, in presenting the prize checks to the 106 winners said that recognition of Prudential employee suggestions was a tradition. More contests are planned for the future.

### Koppman on Leave, Holden Named

New England Mutual Life has given a leave of absence for reasons of health to Theodore Koppman, manager of the premium collection department. He has been with the company 42 years. He is succeeded by the former assistant manager, Philip L. Holden.

Mr. Holden joined the company in 1931, following graduation from Dartmouth College.

### Good Indian Mislabeled

In the pictures from the commissioners' meeting at Portland on page 6 in the June 21 edition, the man in Pamunkey ceremonial gear was incorrectly identified as Clarence Klocksins, legislative counsel of Northwestern Mutual Life. As a matter of fact, the picture is that of Orville Ware, Mr. Klocksins' assistant at Northwestern Mutual and his fellow Pamunkey chieftain.

## Peterson Heads Pacific National

SALT LAKE CITY—Ray H. Peterson, formerly vice-president, has been elected president of Pacific National Life to fill the vacancy created by the death of Carl R. Marcusen.



Ray H. Peterson

William H. Lowe, vice-president, was elected vice-president and treasurer.

Mr. Peterson was born at Preston, Idaho, and was educated at Utah State Agricultural College. He was office manager of Idaho State Life 1917-26, office manager of Occidental Life 1926-29, and has been with Pacific National as vice-president since its founding in 1929.

### Name Wandling Committee

The Omaha Association of Life Underwriters has named a committee to sponsor the candidacy of Lee Wandling for N.A.L.U. trustee.

The members are Will Noble, William Fraser, Chauncey Premer, Floyd Eldridge, E. L. Smith.

Mr. Wandling, formerly Equitable Society manager at Omaha, was recently transferred to Milwaukee.

### Dr. Pepper Is Medical Aid

Provident Mutual has elected Dr. D. Sergeant Pepper as assistant medical director. He is a graduate of University of Pennsylvania medical school. During the war he served in the army medical corps and was a lieutenant colonel. He has been with Provident since the beginning of this year.

### John Hancock Names Group Men

The group department of John Hancock Mutual has appointed the following as home office representatives: Fred S. Higgins, Guilford, Columbus; Charles A. Phillips, Kansas City; Robert J. Monahan, Los Angeles; William P. White, Jr., New York, and William P. Northey, Chicago. Richard A. Grant is named group annuity sales representative at the home office.

## CONVENTION DATES

July 9-12, National Negro Insurance Association, Auchibon Ballroom, New York.

Aug. 22, Northern California Management Conference; Claremont Hotel, Berkeley.

Sept. 4-8, Million Dollar Round Table, French Lick, Ind.

Sept. 9-13, N.A.L.U. annual convention, Cleveland.

Sept. 9-10, International Claim Assn., Chateau Frontenac, Quebec.

Sept. 15-20, Assn. of Superintendents of Canada, Nova Scotia Hotel, Halifax.

Sept. 23-25, L.O.M.A. annual, Hotel Schroeder, Milwaukee.

Oct. 7-11, American Life Convention, annual, Edgewater Beach Hotel, Chicago.

Oct. 9-11, Institute of Home Office Underwriters, annual, Edgewater Gulf Hotel, Edgewater Park, Miss.

Oct. 21-24, National Fraternal Congress, annual, Hotel Morrison, Chicago.

Oct. 24-26, L.A.A. annual, Edgewater Beach Hotel, Chicago.

Oct. 28-31, Insurance Section, American Bar Assn., Atlantic City.

Oct. 31-Nov. 2, Illinois Assn. of Life Underwriters, mid-year, Pere Marquette Hotel, Peoria.

Nov. 11-13, American Institute of Actuaries and Actuarial Society of America, joint fall meeting, Netherland Plaza, Cincinnati.

Nov. 14-16, Home Office Underwriters Assn., Netherland Plaza, Cincinnati.

Dec. 9-11, N.A.I.C., midyear, Hotel Commodore, New York.



"I DON'T WANT TO SOUND ALARMING, BUT I HOPE, THAT IN THE PAST, YOU BOUGHT ALL THE LIFE INSURANCE YOU COULD AFFORD."

## NEWS OF LIFE ASSOCIATIONS

### Ziglar President in Los Angeles

The Life Underwriters Association of Los Angeles has elected these officers: President: Troy M. Ziglar, Prudential; first vice-president, Russell L. Hoghe, Equitable Life of Iowa; second vice-president, John F. Curtis, Massachusetts Mutual Life; secretary-treasurer, Harold S. Parsons, Travelers; directors, Edward Choate, New England Mutual, retiring president; Paul R. Behrmann, Connecticut Mutual; H. B. Kimball, National Life & Accident; W. L. Murrell, Mutual Benefit Life; Gerald W. Page, Equitable Society; G. M. Scott, Metropolitan Life; Roy Ray Roberts, State Mutual.

Rev. James W. Brounger, Jr., spoke on "Playing the Game."

The membership was reported as 936, a gain of 121 for the year.

### Van Leuven President of Denver Association

V. V. Van Leuven, New York Life manager, has been elected president of the Denver Association of Life Underwriters succeeding Helen Hankins.

Other officers are Max Caldwell, Vernon W. Taylor and M. T. Cook, vice-presidents, and Emerson Carey, secretary-treasurer. J. Stanley Edwards, Aetna Life, former N.A.L.U. president awarded a silver vase to George Williams, general agent for Union Central, in recognition of his service as president of the state and local associations and as national committeeman.

The gavel which passes on to Mr. Van Leuven was presented to Mr. Edwards when he became president of the National association in 1919 by the Philadelphia association.

Wood Heads S. F. Assn.; Orr Trophy Given Shipley

R. E. Wood, Phoenix Mutual, was elected president of the San Francisco Life Underwriters Association. Homer

E. Anderson, New York Life, was chosen vice-president; and W. E. Ward, Occidental Life, secretary. Richard J. Shipley, Northwestern Mutual Life, retiring association president, was awarded the O. O. Orr trophy for outstanding personal service to the organization during his year's tenure. A \$50 savings bond given Mr. Shipley along with the trophy was donated by him to the association.

### Cincinnati Association Hears Metheny on Selling

CINCINNATI—An address by C. Brainerd Metheny, manager Fidelity Mutual, Pittsburgh, introduction of new officers, and presentation of N.A.L.U. quality awards to 59 members, including 15 second time winners, were highlights of the last summer meeting of the Cincinnati Association of Life Underwriters. The new officers are L. B. Perin, Fidelity Mutual, president; C. G. Thompson, Metropolitan, vice-president; A. M. Kayser, State Mutual, secretary; and G. W. Isgrig, Reliance Life, treasurer. W. B. Hardy, New England Mutual, was elected national committeeman; T. W. Strange, Ohio National, retiring president, delegate to state association.

### Find Out About Prospect

The agent's prime problem is to find out everything he can about the prospect: at what age he wants "to ease up on things," what minimum monthly income he wants to receive at what age, what his obligations are—actual and implied, what he has in possessions and earning power with which to accomplish his desires, Mr. Metheny stated. His office works on the "predictable answer" method; agents ask only questions to which they know the probable answer, not just the possible answer, and in that way the prospect can be led into the thought channel desired. Learning a sales talk verbatim enables the agent to be free, easy and natural, making a favorable impression on the prospect, he said.

### Sets 20% of Income as Minimum

In working up a brief for a prospect, Mr. Metheny's office tries to get him to lay aside 20% of his gross annual income as a minimum premium. Usually this amount produces only about half the amount needed to do as complete a job as he wants.

Replying to a question as to how to answer a prospect who asks, "What can I get out of it in two or three years?" Mr. Metheny replied, "Let's make it

even worse than that, say ten years." If the prospect says, "Come back in 30 days," he replies, "If you are not here, to whom shall I talk?" When a prospect says, "See me in about a month," Mr. Metheny states that he will mark his calendar accordingly and he returns in about a half hour. He tells the prospect he has been thinking a great deal about his problem and asks him, "If I delivered the policy in 30 days saying that the policy would not pay until 30 days after delivery, would you accept it?"

### Perin Started in Fire Insurance

L. B. Perin, assistant manager Fidelity Mutual and new president of Cincinnati Life Underwriters Association, entered the business with Fidelity Mutual in 1937.



L. B. Perin

Prior to that, he had been with Hartford Fire since 1928, most recently as local manager of the livestock department. He became assistant manager in 1941 and operated the agency from that year until 1945, during the war service of Paul Johnson, manager. He served as secretary of the association last year and as secretary-treasurer of the Associated Life General Agents & Managers in 1943. He is a graduate of the L.I.A.M.A. agency management school.

### Special Chicago Committee Studies New Activities

A special committee of the Chicago Association of Life Underwriters to work throughout the summer on a project designed to make the association more beneficial to its members and increase its activities was initiated at the annual meeting.

H. K. Nickell, Connecticut General, retiring president, announced the committee which he had appointed, consisting of Gerard S. Brown, Penn Mutual; W. V. Wood, Equitable Society; Wolf Guon, Metropolitan; J. E. Thompson, Prudential; R. C. Whitney, Connecticut Mutual, and Henry W. Persons, Mutual Life.

### Membership Is Now 2,009

Mr. Nickell also reported the membership as of June 13 was 2,009, an all-time high. The Chicago association has grown greatly in stature nationally in the last few years, he noted.

Paul W. Cook, general agent Mutual Benefit, the new president was installed along with the other new officers.

Arthur G. Smith, special deputy Illinois insurance department, was a special guest and P. B. Hobbs of Equitable Society, Chicago, vice-president National association, who is in line for election as president this year, also was introduced.

Freeman Wood on behalf of members presented a silver and ebony gavel to Mr. Nickell upon his retirement as president.

### Moynahan Addresses Peoria Annual Meeting

PEORIA, ILL.—The urgent need for immediate review of a family heads insurance to make certain it is adequate to meet today's conditions was stressed by J. D. Moynahan, manager of Metropolitan Life, Chicago, at the annual meeting of the Peoria Association of Life Underwriters. He said the average person uses life insurance as a hedge against rising prices today. If the price of living increases 40%, a corresponding increase in amount of life insurance to support the family is needed.

The new officers were installed: H. E. Rinehart, Prudential, president; F. R. Luthy, Connecticut Mutual, first vice-president; G. C. Treadway, New York

Life, second vice-president; D. E. Fagle, John Hancock, secretary-treasurer; C. T. Wardwell, Connecticut Mutual, national committeeman. E. R. Small is retiring president.

### Rutherford Speaker at N. H. Sales Congress

James E. Rutherford, executive vice-president of the N.A.L.U., appeared as a principal speaker at the sales congress of the New Hampshire association this week at the Derryfield Country Club, Manchester.

Other speakers were Irvin Bendiner, New York Life, Philadelphia; Joseph B. MacLean, vice-president Mutual Life, and Ward Phelps, director of training and superintendent of New England agencies of Mutual Life.

### H. L. Woods Conn. President

Hollis L. Woods of Hartford was elected president of the Connecticut Association of Life Underwriters at the annual meeting at Racebrook Country Club. Vice-presidents are Stanley Lonsdale, Bridgeport; Kenneth Catlin, New Haven, and Gordon Orr, Meriden.

Secretary is Frank Alberts of Hartford and new directors are C. Theodore Trolin of New Haven, Arthur M. Billard, Bridgeport, and Charles K. Oaks, Hartford.

C. J. Zimmerman, L.I.A.M.A., addressed the luncheon meeting of the New Haven Life Underwriters Association which members of the state group attended.

### Peoria Sessions Oct. 31-Nov. 1

Dates set for the mid-year meeting of the Peoria Association of Life Underwriters and annual sales congress are Oct. 31-Nov. 1 at the Hotel Pere Marquette, Howard E. Rinehart, association president, announced. Also to be held at that time will be a meeting of the Illinois Round Table and a general agents and managers conference.

### Fraser Heads Nebraska Assn.

William A. Fraser, Bankers Life, Lincoln, was elected president of the Nebraska Life Underwriters Association at a sales congress at Norfolk. Frank McDevitt, General American, Omaha, outgoing president, was elected president of the Nebraska Quarter Million Dollar club.

Speakers were C. P. Peterson, Bankers Life of Nebraska, on "How to Live in a Changed World;" N. M. Longworth, United Benefit, Omaha, on sales ideas and underwriting problems, and Will Noble, New England Mutual, Omaha, on "Haymakers."

Rochester, N. Y.—Mayor Dicker, Rochester; R. N. Ball, president Lincoln-Rochester Trust Co.; Mark Ellingsen, president Rochester Institute of Technology; A. H. Robinson, assistant treasurer Eastman Kodak Co.; and Bishop H. Reinheimer, were speakers at the last meeting until fall. They praised the work of life insurance in the national economy, the work of the association in the war bond drives and the value of life insurance in establishing security.

Dallas—H. D. Webb, Lincoln National Life, has been elected president, succeeding R. P. Baxter, Rio Grande National Life. J. H. Ardrey, Indianapolis Life, was chosen first vice-president; E. O. Choice, Great National Life, second vice-president; G. L. Goldstandt, Equitable Society, treasurer; and Miss C. A. Dulany was reelected secretary. A constitutional amendment adding a second vice-president was approved along with changes in membership dues. Following the business session the members served as "guinea pigs" for a personality quiz given by Dr. A. Q. Sartain, Southern Methodist University, as part of a nation-wide study being conducted by the Life Insurance Agency Management Association to improve the aptitude index test.

St. Louis—James C. Greene, Lincoln National Life, was elected president, succeeding Ralph D. Lowenstein, Massa-

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chusetts Mutual. Other officers elected are: first vice-president, Ashley Papin, John Hancock; second vice-president, Joseph T. Peterson, Guardian Life; Mrs. Zelma Fisher, New York Life; Louis C. Halley, General American Life; John Leaver, Mutual Benefit Life; William E. Rensch, National Life of Vermont; W. S. Stuart, Great-West Life; and Howard I. Weber, Bankers Life of Iowa, are directors.

**Maine**—Speakers at the annual sales congress Friday at Lakewood are Irvin Bendiner, New York Life, Philadelphia; James E. Rutherford, executive vice-president N. A. L. U.; J. B. Maclean, vice-president Mutual Life, and Manuel Camps, Jr., John Hancock, New York.

**Muskegon, Mich.**—Louis H. Freye, Penn Mutual Life, has been elected president, succeeding W. Frank Murray, Liberty Life & Accident. Vice-president is George R. Akerley, Manufacturers Life; secretary, Miss Isa Selby, Canada Life; treasurer, Carl H. Mohr, Aetna Life; national committeeman, Sam Smith, New York Life.

**Jacksonville, Ill.**—Fred R. Goodey, Prudential, was elected president; M. C. Ackland, Illinois Agricultural Insurance Service, vice-president, and R. I. Dunlap, Connecticut Mutual, secretary. Kenneth L. Kiehl, Penn Mutual, Springfield, state director, was guest speaker.

**Kansas City**—At the first post-war picnic, with 150 attending, including 25 ex-servicemen, Gerald J. Smith was elected president; Ernest L. McClure, first vice-president; Earl E. Amick, second vice-president; William J. Slack, secretary-treasurer.

**Roanoke, Va.**—Paul C. Agee has been elected president; S. H. Bailey, vice-president, and J. T. Neely, secretary. J. P. Giblin, Virginia regional insurance officer of the Veterans Administration, outlined government policy on N.S.L.I. five national quality awards were presented.

**Youngstown, O.**—Edward J. Gilroan has been elected president; C. J. Clancy, vice-president; H. L. Oberer, secretary, and William Thurman, treasurer.

**Eugene, Ore.**—The association here, inactive since pre-war days, has been reorganized. John Gallagher was elected president, and Ralph Kindler, secretary-treasurer.

**Minneapolis**—Arthur McMillan, Connecticut General, was elected president. Others elected were W. LaVon Robison, Mutual Life, first vice-president; Falconer Thomas, Northwestern Mutual, second vice-president; Rollo Wells, Northwestern National, secretary-treasurer; Charles Pettillon, Berkshire, state committeeman.

**Oklahoma City**—At the final meeting of the season interest was centered on industrial insurance, with talks by leading producers for the year of three companies. Houston W. Gray, National Life & Accident, and Wilbur Lake, Prudential, explained important phases of debit work and B. M. Scholl, Home State Life, accented selling ordinary in addition to industrial.

**Central Florida**—Rufus A. Perry, New York Life, Orlando, was elected president, succeeding H. L. Spears. H. L. Killen was chosen as vice-president; Lamar Hutchinson, secretary-treasurer.

**Cleveland**—The women's division has elected these officers: President, Mary Belle Campbell, Prudential; secretary, Sally W. Campbell, Fidelity Mutual; treasurer, Bernice Reilly, Travelers.

Mrs. Minnie Kessler, Reliance Life, gave a short talk on "Prospecting Ideas." Thelma Rudgers, executive secretary of the Cleveland association, reported on the N. A. L. U. mid-year meeting.

**Bluefield, W. Va.**—Lee Baldwin was elected president; Sam C. Rush, vice-president; Bernard Wilkinson, secretary, and W. D. Jones, treasurer. Plans for the state convention at Clarksburg June 27-28 were discussed.

**Raleigh, N. C.**—George Ragsdale was elected president; J. B. Taylor and W. Brownie, vice-presidents, and James Thurman, secretary-treasurer.

**Greensboro, N. C.**—J. D. Hodnett was elected president; J. B. Taylor and W. G. Booker, vice-presidents; W. R. Hinton, secretary-treasurer; R. T. Bridges, state director.

**Des Moines**—Roy L. Swartzman, district manager Equitable Society, was elected president succeeding Frank McCormick, Equitable of Iowa. Robert Shearer, Phoenix Mutual, was named vice president; Ralph Binns, John Hancock, secretary; and A. N. Christensen, Northwestern Mutual, treasurer. McCormick was

named state committeeman. Arthur Brayton, Des Moines Chamber of Commerce, talked on "Post War Sales."

**Coffeyville, Kan.**—New officers are C. B. Lee, Mutual Benefit Life, president; R. R. Severn, Travelers, vice-president; C. W. Shaner, Metropolitan, secretary, and John L. Kleiss, Mutual Life, national committeeman.

**Parsons, Kan.**—New officers are M. E. Lay, president; H. M. Hammer, vice-president; Harold B. May, secretary-treasurer, and Merle Steen, state committeeman.

**Eastern Illinois**—N. Eric Bell, state director of State Farm Life, Bloomington, talked on "Life Insurance, the Non-surgical Face Lifter" at the first annual meeting at Mattoon.

**Bloomington, Ill.**—Carl Baker, president, has moved away from the city and L. D. Hendricks, Country Life, vice-president, was elevated to president. E. A. Gurtner, Mutual Life, becomes vice-president.

**Illinois Valley**—Fred G. Holderman, manager Equitable Society, Peoria, spoke on "Fundamentals of Life Insurance Business" at a "ladies night" meeting at Ottawa, Ill.

**Peoria, Ill.**—Hans A. Franke, general agent Ohio State Life, Chicago, spoke on programming small estates at the monthly meeting.

**Rockford, Ill.**—Kenney E. Williamson, Peoria, general agent Massachusetts Mutual, the new president of the Illinois association, spoke on "Sales Ideas for 1946" in his first talk before a local association of the state following his election.

**Columbus**—Russell B. Knapp, Des Moines, manager of the Mutual Benefit Life, spoke Thursday on "Motivation."

**South Bend**—The new officers elected are: Richard L. Groff, president; Joseph W. Hennessy, vice-president; Mrs. Ann S. Liston, secretary-treasurer. Loyal B. Wilson, retiring president, was named national committeeman for three years.

**St. Joseph, Mo.**—Slated for election are: Gilbert Burnham, Northwestern Mutual, for president; M. M. McKenny, New York Life, for vice-president; Don Day, Missouri, for secretary. Election was June 27. Mr. McKenny's name was put up when the death of J. Glen Talbert caused a vacancy in the slate.

**Los Angeles**—A women's division has been formed with these officers. Chairman, Miss Sophia Bliven, Manhattan Life; secretary-treasurer, Miss Constance Wheeler, New England Mutual Life. The new organization starts off with 16 charter members.

**Salt Lake City**—New officers are: President, Kenneth E. Lake, Home Life; first vice-president, H. J. Syphus, Beneficial Life; second vice-president, H. M. Wright, Metropolitan, and secretary-treasurer, W. P. Jerrell, Prudential. Next meeting will be in September.

**Rochester, N. Y.**—Life insurance and its relation to the community were discussed by five civic leaders at a meeting at the Chamber of Commerce. Mayor S. B. Dicker spoke on "Life Insurance in the Community"; R. N. Ball, president Lincoln Rochester Trust Co., discussed "The Relation of Life Insurance to Our Economy"; Mark Ellington, president Rochester Institute of Technology, spoke on "The Relation of Life Insurance to Education." "The Viewpoint of Industry" was discussed by Archibald H. Robinson, Eastman Kodak Co., and Bishop B. H. Reinheimer of the Episcopal diocese of Rochester talked on "The Importance of Insurance to Organized Religion."

**Buffalo**—Fred H. White, Connecticut Mutual, has been elected president. Vice-presidents are M. J. Ryan and M. S. Tabor; secretary, C. D. Collins, and treasurer, D. B. Adler. Mr. White succeeds W. M. Smith.

**Springfield, Mo.**—Seth B. Turk has been elected president, succeeding H. F. Coonrod. Perry W. Frazier and Everett C. Coffelt are vice-presidents, and C. W. Tarrant, secretary-treasurer.

**Galveston**—Ted Schreiber was elected president, succeeding E. E. Bullock. O. C. Alexander and M. S. Isaacs are vice-presidents, and E. C. McCulloh, secretary-treasurer.

**Milwaukee**—A. Jack Nussbaum, Massachusetts Mutual, has been elected president, succeeding B. W. Reagles, National Guardian; Walter C. Mayer, Mutual Benefit, and Herbert Schwahn, North-

western Mutual, vice-presidents; H. R. Buckman, Old Line Life, secretary, and Ray J. Mertz, Mutual Life, treasurer. At the closing luncheon meeting of the season, Norman Svett, group department manager for Metropolitan in Milwaukee, discussed "Group Insurance."

**Madison, Wis.**—Officers are: Roman M. Vetter, Continental Assurance, president; Robert Judd, Phoenix Mutual, vice-president; William Ulrich, Lincoln National, secretary; Daniel Wing, Equitable Society, treasurer.

**Springfield, Ill.**—Fred Woodruff, Equitable of Iowa, has been elected president; James Henneberry, Metropolitan, and M. F. Bingham, Mutual Benefit, vice-presidents; J. D. Smith, Massachusetts Mutual, secretary; John Taylor, Mutual Life, state committeeman; and Kenneth

Kell, Penn Mutual, national committeeman.

**Houston**—Bruce Patterson, general agent of John Hancock, was elected president, succeeding W. H. Fabian. W. L. Semmelrogge, General American, is vice-president, and Wallace Knight, secretary.

**Louisville**—Harry Lee Hamilton has been elected president; Robert T. Cokgan and Charles J. Monarch, vice-presidents; Henry M. Johnson, Jr., secretary; W. Ray Moss, national committeeman.

## N. F. C. Executive Gathering

The executive committee of the National Fraternal Congress meets in the Hotel Morrison, Chicago, June 28.

## AMONG COMPANY MEN

### Clark N. W. Mutual Assistant Secretary

Arch C. Clark has been appointed assistant secretary of Northwestern Mutual Life, succeeding the late Harry R. Ricker. Mr. Clark started in the secretarial department in 1910 and was transferred the next year to the policy change division, where he has been supervisor since 1923. He now has taken charge of the policy change and conversion divisions.

He is an authority on option settlement plans and has addressed agency meetings throughout the country. He spoke at the recent



Arch C. Clark

veterans' refresher schools conducted by Northwestern Mutual. He is past president of the Quarter Century Club of Northwestern Mutual employees.

### Brewer Leaves Mutual Benefit

Charles E. Brewer, Sr., assistant secretary Mutual Benefit Life will retire July 1 after over 56 years with that company.

#### Held Various Posts

Mr. Brewer joined Mutual Benefit in 1889 in the mathematical department and later became head of the valuation division of that department. In 1915 he was appointed registrar and head of the policy department, and five years later, his title was changed to that of assistant secretary.

His son, C. E. Brewer, Jr., is assistant superintendent of agencies for Mutual

COUNTRY LIFE  
INSURANCE COMPANY

"Outstanding  
in Every Respect"

HOME OFFICE • CHICAGO, ILLINOIS

Benefit and signed the announcement of his father's retirement.

### Savage Wisconsin Nat'l Personnel Director

Robert B. Savage has been appointed controller and personnel director in the home office of Wisconsin National.

Mr. Savage entered insurance in 1931 as a calculator in the policy change division of Union Central at Cincinnati. He successfully became senior life underwriter, medical approver and manager of the policy loan division for Union Central. In 1942 he entered the army as a private and was released recently as a medical corps officer.

In his new position, Mr. Savage will have charge of all home office personnel and will supervise the accounting and statistical departments.



R. B. Savage

### Pilot Life Advances Tate, Sharpe and McAlister

W. L. Sharpe, formerly treasurer, has been elected secretary-treasurer of Pilot Life. L. W. McAlister has been named assistant secretary and S. E. Tate becomes manager of the underwriting department and will continue to serve as director of personnel and office management.

Mr. Sharpe succeeds as secretary John W. Carson, who has become vice-president of the Atlantic companies of Greensboro, and Winston-Salem.

Mr. Sharpe started with Pilot Life in 1903, Mr. McAlister joined Pilot in 1920, and Mr. Tate started in 1927 and was claim supervisor and underwriter prior to this new promotion.

### Sutherland Resumes Company Post

Carter M. Sutherland has resumed his duties with National Fidelity Life as secretary after 3½ years in service. He

was a major with the engineers corps. He entered service as a first lieutenant. He joined National Fidelity Life in 1933 and has served as secretary and board member since 1941.

### Two Acting Superintendents

CINCINNATI—H. N. Phillips, manager Western & Southern, Columbus, Ind., and I. E. Capehart, manager Zanesville, O., have been appointed acting superintendents of agencies and will supply needed field supervisory talent in keeping with the company's field expansion program.

## COMPANIES

### Acacia Has Attractive Statement Brochure

Acacia Mutual Life has gotten out an attractive annual statement brochure, the text of which was written by President William Montgomery.

Mr. Montgomery states that this is the 20th anniversary of Acacia's low premium participating plan, which is described as one in which the premiums are comparable to those of stock companies without any dividend estimates but with the profits going to the policyholders.

As of April, insurance in force was \$661,363,219, assets, \$148,676,306, and surplus is \$6,750,000.

Mr. Montgomery also emphasizes the Acacia agency contract, adopted in 1923, which pays the agent a lifetime monthly income in proportion to the volume of business he services and keeps in force.

Mr. Montgomery announces that the present dividend scale will be continued for another year, the sixth consecutive year that this scale has been in force without change.

### Supreme Liberty Anniversary

Supreme Liberty Life of Chicago, Negro life company will celebrate its 25th anniversary in August. It will then have \$100 million insurance in force and expects to increase its capital to \$400,000. This will be a homecoming for its agents and a splendid program is being arranged. Supreme Liberty is one of the

leading Negro-owned and managed companies in the country.

### Putman Chicago Manager

John Putman has become manager for American Hospital & Life at Chicago. He was recently discharged from military service. Before the war he was a leading salesman at Memphis for American H. & L.

The California department is examining Constitution Life.

## CHANGES

### Minnesota Mutual Names Three New General Agents

Minnesota Mutual Life has established three new general agencies and appointed as general agents Boyd B. Hoff at Santa Fe, N. M.; Gordon W. Erickson at Alexandria, Minn., and Ralph L. Burch at Charleston, W. Va.

Mr. Hoff until recently was purchasing agent with the army. Mr. Erickson has been in the life insurance business for six years and is well known in western Minnesota. Mr. Burch has been an agency manager for 14 years.

### Penn Mutual Names Hopkins at Albany

A. Moseley Hopkins, Jr., has been appointed Penn Mutual general agent in Albany, N. Y., succeeding Harry W. Albright, who resigned to become president of the National Savings bank of Albany.

Mr. Hopkins has been assistant to E. Paul Hutterer, second vice-president in charge of training for Penn Mutual. He is a graduate of the business school of the University of Pennsylvania and joined the home office agency of Penn Mutual in 1927, where he was underwriter, unit manager, and supervisor in charge of recruiting and training. He spent two years in the Nashville agency. During the war he was a lieutenant in the navy for two years.

Mr. Hopkins was the first president of the Penn Mutual C.L.U. He has visited as many as 54 of the company's agencies in one year.



A. M. Hopkins, Jr.

### Shenandoah Life Names Neely at H. O.

Julius T. Neely has been appointed manager of the home office agency of Shenandoah Life. He succeeds E. Dudley Colhoun, who recently became superintendent of agencies.

Mr. Neely joined Shenandoah Life in 1944 and the following year was supervisor of the home office agency. Since the first of the year he has been assistant manager.

### Open Regional Northwestern National Office at K. C.

A regional service office has been established at Kansas City by Northwestern National Life. Vernon Hook, who has been with the company for 10 years, has been promoted to manager of the office, which serves the Missouri valley, western Missouri and Kansas. It will be located at 1231 Dierks building.

Mr. Hook joined the company in 1936

in Arkansas, and after serving as supervisor in the state agency there was in 1938 appointed supervisor for the Texas state agency, remaining there until he joined the agency field service staff in 1944.

The new office will be independent of the present Kansas City agency. It will coordinate sales and service activities of all agencies in its regional area. It is similar to other company "headquarter" city offices.

### Mutual Benefit Advances Berwick at Grand Rapids

H. Bennet Berwick, supervisor at Grand Rapids for Mutual Benefit Life

has been appointed assistant general agent there. He joined Mutual Benefit a year ago. Previously he had been with Manufacturers Life 24 years, latterly as supervisor of the home office field service division. He established the field service unit in 1929 when he was brought into the home office, following eight years in the field at Montreal.

The Raleigh R. Stotz agency at Grand Rapids covers western Michigan including Battle Creek, Lansing, Kalamazoo and Jackson. At the end of 1945 its insurance in force totalled \$66,584,580 while paid business for the year was \$5,609,000. For 1946 to date the agency has a sizable increase and ranks fifth in paid business among Mutual Benefit agencies.



H. B. Berwick

### Rakow General Agent in Wis. for Lincoln National

G. W. Rakow has been appointed general agent at Wausau, Wis., for Lincoln National Life, and will operate in 11 counties in central and northern Wisconsin.

Mr. Rakow has been in life insurance work in that city for the past 13 years. He is a member of the Wausau Life Underwriters Association.

### Manhattan Appoints Cahill Texas Agency Supervisor

Daniel P. Cahill has been appointed supervisor of agencies of Manhattan Life in Texas, with headquarters at Dallas. For the past five years he has been field service superintendent at the home office. He is a 17-year man with the company.

Thomas R. Whittington has been named general agent at Long Beach, Cal. He has been with John Hancock for 12 years.

### Manhattan's Spencer to Trenton

Clarence Spencer, Dutch Neck, N. J., general agent of Manhattan Life, has moved his offices to Trenton, and has taken on his son, Clarence, Jr., as special agent. The younger Spencer recently was discharged after two years' active navy service in the Pacific.

### Walters Assistant to Love

Edward K. Walters has been appointed assistant to James R. Love, general agent of New England Mutual, Peo-

### EXCELLENT OPPORTUNITY

Large Assurance Company desires man who has had experience in life companies as General Agent or Branch Office Cashier. Permanent location New York City. Training program in Chicago. Excellent opportunity for future advancement. Address G-51. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## An Emblem of Distinction



Sound business management and very low mortality have given Lutheran Mutual the distinction of being one of the very lowest net cost companies in the United States.

Inquiries, regarding agency openings, are invited from Lutherans.

**LUTHERAN MUTUAL LIFE INSURANCE COMPANY**  
Waverly, Iowa

1907

Thirty-Ninth Year

1946

ORDINARY LIFE  
INDUSTRIAL LIFE  
INDUSTRIAL HEALTH AND ACCIDENT  
CREDIT LIFE  
MORTGAGE CANCELLATION

**INSURANCE**  
**MISSOURI INSURANCE COMPANY**

J. C. WEST  
President

Home Office  
St. Louis 1, Mo.

H. G. ZELLE  
Exec. Vice-Pres.



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ria. A graduate of Illinois Wesleyan college, he is an insurance man of seven years' experience. Recently discharged from service with the navy as a lieutenant (j.g.), he was in the Pacific theater aboard the USS Conner. In addition to supervisory duties he will maintain his personal production developed before the war.

## O'Donnell Heads Buffalo Agency of Equitable of Iowa

A. T. O'Donnell, formerly manager of the brokers department of the Hoey & Ellison agency of Equitable of Iowa in New York City, has been appointed general agent at Buffalo, succeeding James Paine.



A. T. O'Donnell

Mr. O'Donnell left the investment business in 1937 to go with Canada Life's New York agency. From there he went to the Hoey & Ellison life agency as broker-age supervisor, later becoming brokerage department manager.

Mr. O'Donnell was chairman of the membership committee of the New York City Life Supervisors Association and was active in the blood donor campaign of the New York City Life Underwriters Association.

## Nelson Assistant to Ehlen

Maurice S. Nelson, chief specialist in the navy, has returned from four years' service and been appointed assistant general agent in the Guarantee Mutual Life agency at Chicago. He is associated there with General Agent Frank F. Ehlen. Before the war Mr. Nelson for 12 years was connected with Equitable Society in St. Louis, first as agent, then assistant agency manager.

## O'Leno San Diego Unit Manager

Ross K. O'Leno has been named unit manager of the San Diego agency of California-Western States Life. He joined the company in 1944 with an extensive sales background, and since then has been at San Diego. He is a member of the President's Top Ten Club for 1946.

Kennedy Dodd, who entered the army five years ago from the B. A. Wiedermann agency of Union Central, San Antonio, as a private in the air force, received his discharge as a colonel and has returned to the agency.

## CHICAGO

### UNION LEAGUE LUNCHEON

The July 3 luncheon of the insurance membership group of the Union League Club, Chicago, will be an Illinois life insurance affair, inasmuch as Robert L. Hogg, general manager of the American Life Convention, has invited presidents of Illinois legal reserve life companies to be present as his guests. On July 1-2 the American Life Convention executive committee and past presidents will meet at the Edgewater Beach Hotel. Some will remain over to attend the Union League Club function. Claris Adams, president of Ohio State Life and president also of the American Life Convention, will be the speaker.

### EWEN ASSISTANT DIRECTOR

J. G. Ewen has been appointed assistant director of agencies of Equitable Society, associated with Agency Director W. L. Gottschall. He was connected with his unit when Mr. Gottschall was with the Reno agency. Mr. Ewen went into the service in the navy and became a lieutenant. On his discharge he re-

turned to the Reno agency and was made assistant manager there.

### NSLI OFFICIAL ON TOUR

Charles K. Reid, NSLI conservation specialist of the Veterans Administration, was in Chicago recently on the first leg of a tour of regional VA offices which will also take him to St. Louis, Milwaukee and Columbus, Ohio. He was in Chicago principally to confer with Francis D. Brosnan, recently appointed Illinois regional insurance officer for VA.

Mr. Reid was discharged in December after serving as an insurance instructor in the army personal affairs school in New York City. He was formerly in the Stuart F. Smith agency of Connecticut General in Philadelphia. Since joining the VA, he has been occupied principally with serving as a member of the "flying squadron" which has toured the country. Despite the fine job which agents have done generally, Mr. Reid reports there is still ignorance of NSLI among agents and the public.

### SCHWEMM TRUST COUNCIL HEAD

Earl M. Schwemm, Chicago manager of Great-West Life, was elected president of the Chicago Life Insurance & Trust Council at the annual meeting at Itasca Country Club. Other new officers are: J. L. Chapman, City National Bank & Trust Co., vice-president; Walter N. Hiller, Penn Mutual, treasurer; Louis W. Fischer, American National Bank & Trust Co., secretary. Howell W. Kitchell, Continental Illinois National Bank, is the retiring president.

Directors elected for three year terms are: Carl E. Harris, Equitable Society, and Victor Cullin, Chicago Title & Trust Co. The nominating committee was headed by Paul W. Cook, Mutual Benefit Life general agent.

### OAK PARK GENERAL AGENTS

Richard Reitz and Everet W. Shoen have been appointed general agents for Mutual Trust Life in Oak Park, Ill., with offices at 1024 North boulevard. The two men were for 10 years in the Oak Park agency of Travelers.

## NEW YORK

### N. Y. MANAGERS' OUTING

More than 75 members of the Life Managers Association of Greater New York attended the first post-war outing at Knollwood Country Club, White Plains. The affair started with a luncheon, continued through the afternoon with golf, and wound up with a dinner. President Alfred J. Johannsen, Northwestern Mutual, presided. Timothy J. Foley, State Mutual, acted as master of ceremonies and distributed the golf prizes as chairman of the golf committee. He provided most of the entertainment of the evening. S. Samuel Wolfson of Berkshire Life, secretary of the organization, aided in the prize distribution.

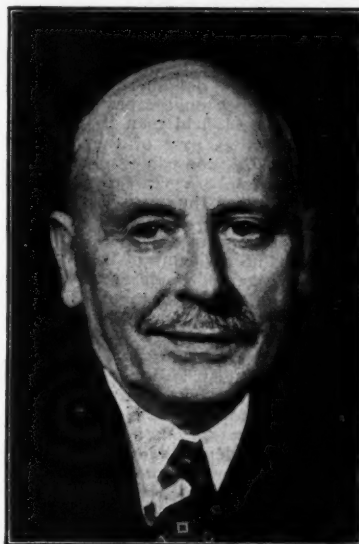
Superintendent Dineen was guest of honor and spoke briefly. Although he did not win a golf prize, he did win one as honor guest. President Johannsen won the chief golf prize. Other guests who did not go away empty handed included Gregory Oliver, Retail Credit Co. and President James P. Fordyce of Manhattan Life.

### SUPERVISORS' OUTING JULY 9

The New York City Life Supervisors Association will hold its annual outing July 9 at the Plandome Country Club, Plandome, N. Y. The program includes golf, tennis, swimming, luncheon, dinner and cocktails.

Equitable of Iowa has moved its Pittsburgh office from the 9th to the 13th floor of the Oliver building. The agency is managed by H. S. Brownlee.

## Carl Heye, Former Guardian Head, Dies



CARL HEYE

Carl Heye, consulting director and former president of Guardian Life, died at his home at White Plains, N. Y., June 22, in his 76th year.

Born in Quakenbrueck, Germany, Mr. Heye attended the Realgymnasium in that city. In 1889 he came to America and in that year began his long association with Guardian. Starting as a clerk in the actuarial department, he was appointed assistant secretary in 1898. Thereafter he progressed through the offices of secretary, vice-president and secretary, and in 1921 was elected president, a position he held for 19 years. In 1940, he was appointed chairman and continued in that capacity until his appointment as consulting director in 1944.

Mr. Heye received an LL.B. degree at New York University in 1905. He was a trustee of Lenox Hill hospital from 1906, and served as secretary from 1906 until 1943.

## Plumley Installs Scott in Coast Group Post

LOS ANGELES—H. L. Plumley, secretary of the group department of State Mutual, introduced the company's group insurance plans to agents in the Harold W. Dougher agency of that company and a number of brokers. He said the need for group insurance was shown by a statistical survey of the country, and said temporary group writings would give way to permanent group and annuity plans, and that employer corporations would not continue to buy term group insurance.

Layton Scott, who will be the home office coast group representative, with office in the Roosevelt building, was introduced by Mr. Plumley and spoke briefly.

## Equitable Managers' Course

Managers of the Oakland and San Francisco agencies of Equitable Society have just completed a three week managerial training course in estate planning under Dan Mason, supervisor of training, assisted by George Sweeney, both of the home office. A total of 12 attended.

## C. L. U.

## D. Miley Phipps Heads Cleveland C.L.U. Chapter

The Cleveland C.L.U. chapter has elected these new officers: President, D. Miley Phipps, New England Mutual; vice-president, Carl M. Updegraff, Equitable Society; treasurer, Frank L. McFarlane, Northwestern Mutual; secretary, Francis Ansley, Aetna Life. Mr.



D. MILEY PHIPPS

Phipps succeeds E. Clare Weber, New England Mutual, as president.

## Howard Rochester President

W. Edward Howard has been elected president of the Rochester, N. Y., CLU Chapter. H. C. Bailey is vice-president; F. A. Sestito, secretary; F. G. Pederson, treasurer, and J. C. Post, historian.

## St. Louis Chapter Elects

The St. Louis C.L.U. chapter has elected Nathan H. Burghelm, North-

## "IT WORKED FOR ME"

In discussing our Company's trade-journal advertising, one of our veteran agency-heads remarked: "That recent reference to life insurance for bequests and charities was 'right on the beam' for me. It was the use of a bequest-insurance idea that really got me under way when I started in this business. It worked for me then, and should be even more effective, nowadays, for those who will use it."

**LIFE Insurance Company of VIRGINIA**

Bradford H. Walker  
Chairman of the Board  
Robert E. Henley  
President



Home Office: Richmond  
Established 1871

western Mutual, president. F. Turner Munsell, New York Life, is vice-president; William E. Rench, National Life of Vermont, secretary-treasurer. Richard Bennett, Reliance Life, is retiring president.

#### Kemp Okla. City President

At the June meeting of the Oklahoma City C.L.U. chapter, these officers were elected: Harvey Kemp, John Hancock Mutual, president; Edward E. Waller, Mutual Life, vice-president, and Herndon Lackey, Massachusetts Mutual, secretary-treasurer. Edgar VanCleaf, National Life of Vermont, led discussion.

## POLICIES

### New Dividend Plan Announced by Canada Life

Canada Life July 1 will make effective its new basis of dividend distribution. For some years the company has followed a practice of paying regular dividends annually with an extra dividend at the end of five years. It now proposes to make an extra dividend distribution each year, as earned.

Each annual dividend (except on old retirement income bond contracts) will be made up of two parts, a basic dividend; and, when earned, an extra dividend. The basic dividend will be calculated on a scale which it is believed can be maintained at least for a few succeeding years. The extra dividend will serve to bring the total up to the maximum amount warranted by savings and earnings of the year.

The new basic scale represents an increase over the previous scale for the

majority of plans in current use, but on certain plans where the investment interest element predominates there will be a reduction.

The company states it believes this new method of calculation and distribution has distinct advantages over its former practice, both from the viewpoint of the policyholder and the field organization. It points out there is an unfortunate tendency on the part of many policyholders and field men to look on dividend scales as part of the guarantees under life companies' contracts, rather than simply a year to year adjustment, based on the year's experience, of any overpayment in premium.

As a result of this misunderstanding, a reduction in dividend distribution is frequently regarded with considerable alarm. Having this in mind, there is a temptation for companies to maintain a dividend distribution in years when earnings and prospects are not such as to warrant the distribution being made. On the other hand, there is a possibility that in order to avoid the disturbances which might arise from subsequent reduction in dividend scale, a company might choose to withhold payment of a certain amount of the savings and earnings which could properly be distributed.

It is the Canada Life's hope and belief that by adopting a basic scale of dividends which looks as if it would come fairly safely within the probabilities of distribution in any year and then making annually an extra distribution based on the actual earnings of each particular year, it can overcome both of these objections and be fairer to all parties concerned.

The new basic scale represents an increase over the previous scale for the majority of plans in current use; but on certain plans where the investment interest element predominates, there will be a reduction.

Illustrative dividends on the new basis for the three basic contracts, ordinary, 20 year and 20 year endowment, are:

Ordinary Life							
Age at Issue							
		20		25		30	
Div. End Year	Reg.	Ex.	Reg.	Ex.	Reg.	Ex.	
2	2.96	1.22	3.09	1.25	3.21	1.27	
5	2.22	1.07	2.33	1.09	2.47	1.12	
7	2.26	1.07	2.38	1.10	2.53	1.13	
10	2.33	1.09	2.47	1.12	2.64	1.15	
15	4.05	1.45	4.41	1.53	4.85	1.62	
20	4.36	1.52	4.76	1.60	5.25	1.70	

Age at Issue							
		35		40		45	
Div. End Year	Reg. \$	Ex. \$	Reg. \$	Ex. \$	Reg. \$	Ex. \$	
2	3.42	1.32	3.75	1.39	4.22	1.49	
5	2.72	1.17	3.15	1.26	3.89	1.40	
7	2.80	1.10	3.25	1.28	3.91	1.45	
10	2.92	1.21	3.39	1.31	4.07	1.45	
15	5.33	1.72	5.88	1.83	6.61	1.99	
20	5.78	1.81	6.39	1.94	7.16	2.10	

		Age at Issue					
		50		55		60	
Div. End Year	Reg. \$	Ex. \$	Reg. \$	Ex. \$	Reg. \$	Ex. \$	
2	4.46	1.54	5.15	1.68	6.30	1.92	
5	4.28	1.50	5.07	1.66	6.32	1.93	
7	4.40	1.52	5.21	1.69	6.47	1.96	
10	4.59	1.56	5.41	1.74	6.70	2.01	
15	7.00	2.07	7.63	2.20	9.27	2.55	
20	7.59	2.19	8.23	2.33	9.89	2.68	

20 Payment Life							
Age at Issue							
		20		25		30	
Div. End Year	Reg.	Ex.	Reg.	Ex.	Reg.	Ex.	
2	3.75	1.39	3.71	1.38	3.61	1.36	
5	1.86	.99	1.92	1.00	1.97	1.01	
7	1.95	1.01	2.01	1.02	2.08	1.04	
10	2.08	1.04	2.17	1.06	2.25	1.07	
15	4.23	1.49	4.52	1.55	4.93	1.64	
20	4.95	1.64	5.31	1.72	5.79	1.82	

Age at Issue							
		35		40		45	
Div. End Year	Reg.	Ex.	Reg.	Ex.	Reg.	Ex.	
	\$	\$	\$	\$	\$	\$	
2	3.49	1.33	3.49	1.33	3.61	1.36	
5	2.09	1.04	2.45	1.11	3.04	1.24	
7	2.21	1.06	2.59	1.14	3.19	1.27	
10	2.41	1.11	2.80	1.19	3.43	1.32	
15	5.31	1.72	5.77	1.81	6.45	1.95	
20	6.25	1.91	6.79	2.03	7.54	2.18	

Age at Issue							
Div. End Year	50		55		60		
	Reg. \$	Ex. \$	Reg. \$	Ex. \$	Reg. \$	Ex. \$	
2	4.00	1.44	4.83	1.61	6.19	1.90	
5	3.58	1.35	4.51	1.55	5.89	1.84	
7	3.74	1.39	4.68	1.58	6.07	1.87	
10	4.00	1.44	4.95	1.64	6.34	1.93	
15	6.93	2.06	7.80	2.24	9.14	2.52	
20	8.11	2.30	9.06	2.50	10.50	2.81	

20 Year Endowment							
Age at Issue							
		15		20		25	
Div. End Year	Reg.	Ex.	Reg.	Ex.	Reg.	Ex.	
2	2.95	1.22	3.27	1.29	3.55	1.35	
5	1.90	1.00	1.98	1.02	2.01	1.02	
7	2.10	1.04	2.18	1.06	2.21	1.06	
10	2.44	1.11	2.52	1.13	2.55	1.14	
15	5.47	1.75	5.67	1.79	5.90	1.84	
20	7.05	2.08	7.25	2.12	7.48	2.17	

Age at Issue							
		30		35		40	
Div. End Year	Reg.	Ex.	Reg.	Ex.	Reg.	Ex.	
2	3.52	1.34	3.56	1.35	3.73	1.38	
5	1.99	1.02	2.06	1.03	2.47	1.12	
7	2.19	1.06	2.27	1.08	2.67	1.16	
10	2.53	1.13	2.61	1.15	3.01	1.23	
15	6.18	1.90	6.54	1.97	6.97	2.06	
20	7.77	2.23	8.13	2.31	8.57	2.40	

Age at Issue							
		45		50		55	
Div. End Year	Reg.	Ex.	Reg.	Ex.	Reg.	Ex.	
2	4.16	1.46	4.26	1.49	4.95	1.64	
5	3.11	1.25	3.65	1.37	4.56	1.56	
7	3.32	1.30	3.85	1.41	4.76	1.60	
10	3.65	1.37	4.18	1.48	5.08	1.67	
15	7.53	2.18	7.83	2.24	8.40	2.36	
20	9.15	2.52	9.47	2.59	10.08	2.72	

### Girard Announces Some Rule Liberalizations

Girard Life has liberalized its underwriting rules in some respects. Waiver of premium now is extended to female and substandard risks. A simplified death claim procedure has been adopted. The policy on discounted premiums has been liberalized. A decreasing term policy is in preparation. There also has been a liberalization of mass insurance underwriting, an increase in annuity maximums, and discontinuance of the war clause. A church endowment plan was announced.

### Discount Rate Now Is 2%

North American Life has reduced its discount rate on premium deposits paid in advance from 2½ to 2%. The company states this still is a comparatively liberal rate. There is no maximum acceptance limit so far as sum is concerned, but no more than 20 years' deposits will be discounted and accepted.

### Acacia Keeps Dividend Scale

Acacia Mutual's present dividend scale will be continued for another year, the sixth consecutive year it has been unchanged.

## SALES MEETS

### Lincoln National Holds Second Rally

Nearly 100 sales representatives of Lincoln National Life attended the eastern regional sales congress at Atlantic City, June 24-26, the second of three meetings being held for the first time since 1941.

A. L. Dern, vice-president and director of agencies was in charge the first day and A. J. McAndless, president, addressed the gathering on company affairs on the role of life insurance in the national economy. R. G. Stagg, second vice-president and actuary, discussed life insurance rates from the actuarial standpoint. The final session was a panel discussion showing home office under-

writers in action. Dr. W. E. Thornton, second vice-president and medical director; D. B. Semans, chief underwriter, and G. M. Bryce, manager new business department, participated.

At the banquet Monday Mr. Dern installed club members and presented awards of achievement.

Mr. Dern opened the second session, and W. T. Plogsther, director of field service, described the company's training program. "Selling Mortgage Redemption Plans" was discussed by Robert P. Rhodes of Baltimore. C. W. Oetting, Cleveland, told "How the Cleveland Agency Uses Direct Mail." Mrs. Esther D. Pincus, Norfolk, Va., talked on "A Successful Saleswoman."

A. C. Rogers, manager group department, talked on "Group Insurance." Robert L. White, Sidney, O., described how "A Veteran Enters Life Underwriting." John D. Marsh of Washington, D. C., outlined "The Life Underwriter's Responsibility to the Veteran." R. B. Lanham of Baltimore, discussed "Motivating."

The sales congress was closed with an address by Mr. Dern.

## MANAGERS

### Eldridge Tells How to Select Agents

SAN ANTONIO—The problem in recruiting and selection, Don C. Eldridge, Acacia Mutual Life manager, told the Life Managers Club, is not only selection in recruiting but a financing plan which will enable the qualified man to succeed. Many capable men have come into life insurance and failed because of lack of adequate financing. In his first two years Mr. Eldridge practically failed for that reason. In the depression period he quit life insurance selling, but returned, due to encouragement by a Union Central man who introduced him to the manager of another company and insisted that he belonged in the business.

Policyholders are fine centers of influence and often can give tips on capable men who are discouraged in their own line of work or who are engaged in dead end fields and may become leaders in life insurance selling.

Another source for recruits is referred leads. Men from both sources must be carefully screened. Some are not able to discriminate and these are not fitted for the work. The men selected should be at least 25 years of age, preferably married and with children so they have responsibilities.

Essentials for a recruit are enthusiasm, pleasing personality, a liking for people, persuasive power as proved by their contacts, positive individual attitude, sound judgment and the power to express thoughts effectively; honesty, good credit, a sense of financial responsibility, and his wife should be willing to support his efforts and cooperate with him in every way.

### Davis San Francisco President

Nelson F. Davis, Guardian Life, is the new president of the San Francisco



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DEVELOPMENT FUNDS PERSISTENCY BONUSES

ORGANIZATION ALLOWANCES

Write Harry S. McConachie Vice President

**American Mutual Life Insurance Company**  
INCORPORATED IN TEXAS  
Des Moines, Iowa



General Agents & Managers Association, succeeding V. Webner Wiedemann, Equitable Life of Iowa. William L. Hardy, West Coast Life, is vice-president and Gordon W. Hay, Mutual Life, secretary-treasurer.

#### Mercer Northern N. J. President

At the annual meeting of the General Agents & Managers Association of Northern New Jersey in Newark, Charles W. Mercer, Massachusetts Mutual Life, was elected president; R. Barry Greene, Connecticut General Life, vice-president; J. Bruce MacWhinney, John Hancock Mutual Life, secretary-treasurer. Directors are Harry Orasmusen, Penn Mutual Life, and Clarence Frity, Acacia Mutual Life.

#### Los Angeles Supervisors Elect

The Life Supervisors Association of Los Angeles has elected these officers: President, L. Barber, Sun Life; vice-president, T. D. Hammond, Aetna Life; secretary-treasurer, C. P. Housman, New England Mutual Life. Plans for the annual play day in July were approved.

President Barber named D. H. Kelly, Massachusetts Mutual; and R. K. Wislon, New York Life, as a committee to study plans for an educational course and report in the fall.

#### Cleveland Supervisors Elect

At its annual golf party the Supervisors Club of the Cleveland Life Underwriters' Association elected these officers: President, Albert G. Williams, Mutual Life; vice-president, Francis Ansley, Aetna Life; secretary, Chester W. Oetting, Lincoln National Life; treasurer, H. Gregg Stone, Mutual Life. Vernon Kroehle of Northwestern National by virtue of his low score won the club's golf cup. The golf party was followed by a dinner with 20 present.

#### Milwaukee Managers' Outing

The Milwaukee Life Managers & General Agents Association will close its current season of monthly meetings at an outing at Chenequa Country Club June 28. S. J. Stephenson, National Guardian, is chairman of arrangements. There will be golf and other sports, followed by dinner.

## ACCIDENT

### New Chicago Company Launched

The newly organized John Marshall Ins. Co. of Chicago starts off with a paid in capital of \$100,000 and paid in net surplus of \$150,000. It will specialize in health insurance and will offer hospital, medical and dental coverage as well as loss of time indemnities.

The president is John R. Mannix, who for the past two years has been executive director of the Plan for Hospital Care in Chicago. He was chairman of the organizing committee of the Blue Cross plan in Cleveland and was organizer and director of Michigan Hospital Service. Earlier he was assistant director of University Hospital in Cleveland.

#### Lichty Handles Sales

Vice-president is W. Harold Lichty, for the past two years executive director of the Michigan Hospital Service and formerly an executive with Associated Hospital Service of New York. He will have charge of sales.

Marion E. Burks becomes vice-president and legal counsel. For the past six years he has been with the Illinois department and for the past three years has been assistant insurance director.

Chairman of John Marshall is Forrest C. Sammons, president of Sammons Construction Co., Huntington, W. Va. Treasurer is A. Grant Beckett, president

of Huntington Trust & Savings Bank of Huntington, W. Va.

### Conn. Blue Cross Hikes Rates to Halt Surplus Decline

Connecticut Hospital Service, the statewide Blue Cross plan, announces that an increased premium rate scale will be put into effect Sept. 1. The Connecticut department has been consulting with the Blue Cross management and has recommended that a higher scale be instituted because of the way the experience has been running. The department believes that a surplus of at least \$1 million should be maintained. There has been a \$200,000 decline in surplus which brings the margin so close to the \$1 million mark that it was believed desirable to apply higher rates in an effort to get the surplus moving in the right direction again.

## FRATERNALS

### A.A.L. Federation in Session

MANITOWOC, WIS.—Harry Bertam, Milwaukee, was elected president of the Wisconsin Federation of the Aid Association for Lutherans at the annual convention. Peter Felda, Fond du Lac, was named vice-president; Louis Freude, Appleton, secretary-treasurer; H. C. Dittmar, Manitowoc, and Walter Kuehl, Neenah, executive committee-men. A. H. Blankenburg, Appleton, is the retiring president.

The group endorsed for reelection as national directors of A.A.L., Alex O. Benz, president; Herbert Voelck, Appleton; B. C. Schultz, Saginaw, and W. F. Schultz, Milwaukee.

LeRoy G. Stohlman, secretary, discussed the differences between legal reserve life fraternal and old line life companies. W. H. Zuelke, treasurer, spoke on "Declining Interest Rates." "To avert crumbling of our financial system, the federal government must soon cease its reckless expenditures," he said. "Life insurance, one of the most stalwart among financial institutions, is already severely feeling the blow of inflation, a trend which began back in 1933.

#### Danger in Low Interest

"Premium rates are based on minimum interest rates. Inflation has caused many corporations to pay off prematurely their indebtedness and seek lower interest rate financing. As insurance companies do not wander off the beaten path of sound investments, they have been forced to take less interest on their money, instead of speculating on higher interest yield of less secure investments.

"If inflation continues, there will be a drastic reduction in insurance dividends and a rise in premium rates," Mr. Zuelke stated. "However, this is not to be construed as a sign of weakness of an insurance company. Rather it indicates a sound management in step with the times, one which is looking ahead to a sound and solid financial future for its company and policyholders."

President Benz spoke at the banquet on America's position in the world. "We are living in the most critical and stirring days in the history of the world and we must not become disheartened and give up the fight," he said. "These are challenging days; they challenge our ability to think our way through the dangers awaiting us."

"Since the end of hostilities, the home front has been turned into the real battle front, and the new war must be fought at home. We must be on our guard against fear, hate, greed, injustice, bigotry and suspicion."

#### Willment General Counsel

Milton A. Willment of New York City has been appointed general counsel of Royal Arcanum. He fills the vacancy

caused by the death of Harold C. Knoepel. Mr. Willment is a former supreme regent of the society.

## Fraternal Digest Off the Press

Providing up to date facts and figures concerning all of the important fraternal beneficiary societies in the United States and Canada, the new 1946 Fraternal Compend Digest is just off the NATIONAL UNDERWRITER press. In this annual reference book on fraternal insurance, the exhibits of each society show its financial and actuarial condition, the cost of insurance to members admitted at the present time, and the essential features of the contracts now being issued, with a brief history of the society's readjustment, if any, and its mergers, reinsurance, etc. Also included is a geographical index showing the societies licensed in each state with their membership therein. A special section shows the insurance in force of each society on the various valuation bases. Other sections covering Social Security, National Service Life Insurance, reserve and other useful tables are also included. The Fraternal Compend Digest sells singly at \$2.00 a copy and may be obtained from any NATIONAL UNDERWRITER office.

### Standard Staff Increased by Three Additions

W. W. Miller and Richard F. Allen have returned from war service to Standard Life of Kansas. Mr. Miller was elected secretary while he was a lieutenant (j.g.) in the navy overseas and now has been installed in that post. Capt. Allen has resumed his post as director and general counsel after having served in the claims branch of the army in the E.T.O. He has been in service since December, 1945.

Herbert A. Mitchell, formerly of

Equitable Reserve at the head office in Neenah, Wis., has been appointed field manager by Standard. He is a veteran life man and was an agent of Western & Southern Life and became agency manager before going with Illinois Bankers Life. He left that company to join Equitable Reserve as a field manager, a post that he held for five years. He is vice-president of the Fraternal Field Managers Association.

### C.O.F. Honors New Cardinal: Wins Treasury Award

The head office of Catholic Order of Foresters has taken part in two ceremonies recently. One was the presentation by the society of \$25,000 to Samuel Cardinal Stritch. The sum was contributed by 11,000 members of the society, including all the courts of the United States and provinces of Canada, many associations and nearly all of the subordinate courts and many individuals, to the Catholic dignity by Thomas H. Cannon, chairman, and Thomas R. Heaney, high chief ranger. All the members of the high court were present at the ceremony.

Mr. Heaney presented a volume bound in cardinal red goatskin bearing the coat of arms of Cardinal Stritch inlaid with 14 karat gold.

The C.O.F. itself was the recipient of honors from the Treasury in the form of an official certificate of commendation for its part in the purchase of war bonds.

#### O'Guin Tennessee Manager

John L. O'Guin has been appointed assistant Tennessee manager of Woodmen of the World, Omaha.

#### Bowles Before Va. Congress

Commissioner Bowles of Virginia addressed the Virginia Fraternal Congress annual meeting at Ocean View, Va., emphasizing the part fraternal insurance plays in supplying protection to members.

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Choose the part of the country in which YOU prefer to work . . .

Modern Woodmen of America has a number of openings in each state for full-time District Managers. It will finance men with the required qualifications and provide an excellent territory. A tested program will help you build your future with a well-established sales organization. First-year commissions and renewals are unusually liberal.

If you can produce business personally, supervise a given territory and appoint sub-agents you can easily qualify.

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Write to—Field Department

Modern Woodmen of America

ROCK ISLAND, ILLINOIS

## Varied Program Marks Centennial

(CONTINUED FROM PAGE 1)

employee, one Dr. Phelps, our first secretary and later president, performed all the home office functions of that day, including even janitor service. Indeed, he performed also many functions of the field, for we are told that he personally sold and placed 30 of the first 45 insurance policies which the company issued."

Today Connecticut Mutual has over 285,000 policyholders, representation through 150 field offices in 36 states, and over \$1 billion 400 million of insurance in force.

Stating that "we have well learned the lessons of the past," Mr. Fraser said: "We respect highly the company's past traditions, and you may be assured of a continuance of the practice of that great art of true corporate trusteeship as learned from our predecessors, a trusteeship which means caring with diligence for the interests of others, policyholder, beneficiary, agent and employee."

### Tribute to Col. Greene

Mr. Fraser paid particular tribute to a former president, Col. Jacob H. Greene, for his fight against tontine insurance and the high commissions paid by both the old and new companies of that day, sometimes as much as 100%.

"The commissions that were being offered then makes me, a former field man, wonder how it could have been done," he said. "The answer is that it couldn't."

Some of Col. Greene's utterances seems very prophetic and certainly very timely under today's conditions, said Mr. Fraser, quoting the following passage:

"The profits upon investments are far

less than formerly. The rate of interest is decreasing. The price of desirable securities has greatly increased. Not long since, very desirable securities could be bought so as to yield a good margin for profit, besides interest. That is no longer possible. In a word, the sources of profit upon a carefully conducted business are decreased and to all appearances permanently so. Some of the sources of dividends of the past are gone, never to return."

### Governor Lauds Insurance

Governor Baldwin paid tribute to life insurance as a promoter of thrift and security. He said we are too apt to underestimate the importance of the spirit of thrift in American life but the enterprise and thrift of individual American citizens "have built a land so great and strong, so virile and so productive, that America has been able twice in one generation to come to the successful rescue of the world."

The centennial banquet honoring the top agents and supervisors had Vice-president Coffin as toastmaster. W. Ross McCain, president of Aetna Fire, spoke on behalf of the directors; Louis J. Fink of the Gray agency, New York City, leading agent, for the field force, Paul C. Kaul, Omaha, for the general agents and President Fraser spoke on behalf of the management. Mr. Coffin read off the names of the 100 top agents and asked them all to stand and receive the audience's applause.

"Going Places," the historical musical show put on by the home office people, was expertly staged and acted. Unlike most amateur shows it was interesting and absorbing even to those who were not acquainted with the members of the cast. The libretto was set to tunes that were popular during the past century. It was no stodgy historical narrative but a lively and humorous portrayal that held everybody's attention to the final curtain. The show was put on the previous evening for more than 700 members of the staff and their families and other guests.

## GENERAL AGENTS MEET

The general agents on centennial day held their annual meeting at the home office, with Mr. Coffin presiding. He paid tribute to the following general agents who showed the greatest percentage increase in new business during 1945 over 1944: A. Van Pritchard, Memphis; W. W. Peterson, Fort Wayne; M. M. Goldstein, New York; W. H. Siegmund, Los Angeles, and F. R. Anderson, Miami. He also announced the new members of the general agents' advisory committee—P. L. Bealy Smith, Atlanta; R. H. Carter, Oklahoma City, and W. T. Earls, Cincinnati, who will serve with P. C. Kaul, Omaha, Phinehas Prouty, Jr., Los Angeles, and E. Dale Shepherd, Jr., Houston.

G. F. B. Smith, second vice-president, presented conservation awards to R. H. Love, Hartford; E. F. Colborn, Rochester; Moss and Moss, Louisville; H. C. Remien, Grand Rapids; N. R. Korb, Harrisburg; D. Conrad Little, Richmond; P. F. Howerton, Charlotte; and F. P. Beiriger, Rockford.

Awards for general agents who in 10 or more months of 1945 showed an increase of business over the corresponding month the year before were presented by Superintendents of Agencies E. C. Andersen and F. O. Lyter to J. M. Fraser, New York; S. B. Rosenbaum, Cleveland; H. F. Gray, New York; Frank Carlucci, Wilkes-Barre; C. E. Stumb, Detroit; W. H. Siegmund, Los Angeles; G. Archie Helland, San Antonio; N. E. Williamson, Denver; A. Van Pritchard, Memphis; Jack O'Bannon, Buffalo; C. C. Jones, Indianapolis; A. J. Gillette, San Diego; C. T. Wardwell, Peoria; W. T. Bealy, Raleigh; D. Conrad Little, Richmond; Malcolm MacCallum, Bridgeport; and F. A. Rosenfelt, Toledo.

Mr. Goldstein received two plaques from E. A. Starr, supervisor of em-

## Hutchinson A.L.C. Section Chief

(CONTINUED FROM PAGE 1)

dall, Midland National Life; Dr. Harry J. Laws, LaFayette Life; Dr. E. G. Givhan, Protective Life; Dr. T. D. LaFry, Great Northern; Dr. Albert Tormey, National Guardian; Dr. Charles B. Ahlefeld, Business Men's Assurance; Dr. A. J. McGanity, Dominion Life; Dr. A. R. McMahan, Columbian Mutual; Dr. Joseph W. Johnson, Interstate Life & Accident; Dr. James T. Downs, Jr., Fidelity Union; Dr. H. E. Flansburg, Bankers Life of Nebraska, and Dr. E. B. Milam, Peninsular.

At the meeting the second day, one of the high points was introduction of Dr. Francis R. Dieuaide, newly appointed scientific director of the Life Insurance Medical Research Fund, who reported on the progress made.

### Old Principle Reaffirmed

Psychosomatic medicine is coming into its own, Dr. Edward Weiss, professor of clinical medicine, Temple University school of medicine, stated in a paper on "Psychosomatic Aspects of Chronic Disease." This is not a new discovery but a reaffirmation of the ancient principle that mind and the body are interactive and interdependent. He related this topic to diseases of the cardiovascular system, saying various types of anxieties often help to bring on symptoms suggestive of heart disease or aggravating the disease. One cause of cardiac neurosis, he said, is a life insurance examination of a patient who previously was well but had neurotic predisposition. The most important cause of cardiac neurosis is continued emotional stress.

"There is a real need for the inclusion of attention to the psychic component in illness in the public health program in view of the problems of health insurance and socialized medicine with which we are confronted. The major weakness of such systems as are in operation results from a lack of knowledge concerning the emotional factor in illness. It is chronic illness in which the psychic component is of the greatest importance from the standpoint of treatment."

### Calls for More X-Rays

Where an applicant for life insurance has either a personal history of tuberculosis or a history of contact, Dr. Henry B. Kirkland, assistant medical director of Prudential said, x-rays should be taken. He discussed "Personal History and Contact in Pulmonary Tuberculosis." The cost of the x-rays, he said, should be borne by the companies. It has been estimated about 40 x-rays would be required on an over-all issue of 10,000 policies, and it seems probable this procedure would result in bettering the offers to a large percentage of applicants in the categories affected. Only in this way, he said, can there be gained the requisite knowledge of all factors concerned to permit a new permanent basis for selection of such risks. Far-reaching public health benefits would be derived from such a policy as a by-product.

Dr. Kirkland said persons presumed to be cured of tuberculosis are likely to suffer from recurrences, even where

ployee insurance plans, one for being the leading general agent in volume of pension trust business and the other for having the greatest number of new pension cases.

President Fraser made the award to the winner of the president's organization trophy, the company's top agency award. For the third consecutive year it went to Mr. Kaul. The award is given for best record in agency development. Runners-up for the award were: P. L. Bealy Smith, Atlanta; N. E. Williamson, Denver; Phinehas Prouty, Jr., Los Angeles; and Al. J. Gillette, San Diego.

the best care has been taken and close supervision exercised. He expressed hope that a revision of selection standards would occur soon, based on x-rays when personal and contact histories occur.

### Discusses Electrocardiograms

The application of electrocardiography to underwriting risks cannot be automated, Dr. Harry E. Ungerleider, associate medical director Equitable Society, declared in a paper on "The Electrocardiogram in Practical Risk Appraisal." He believes the electrocardiogram is as important in appraising life insurance applicants as in clinical medicine, but individual intelligence and experience in interpretation are required in order to reach a proper conclusion.

In the diagnostic laboratory of Equitable, he said, electrocardiograms are indicated where the amount of insurance currently applied for is \$100,000 or more, or where the total exceeds \$200,000. Above age 60, they are carried out for current applications of \$50,000, or where the total insurance exceeds \$100,000. They also are indicated in cases having a history of cardiac symptoms, particularly those accompanied by pain; where elevated blood pressure, arrhythmias, abnormal cardiac findings exist, and where glycosuria is found. While the cardiogram is very useful in recognition of organic heart diseases, it is of relatively little diagnostic value in congenital, rheumatic or luetic heart disease.

He said findings abundantly justify employment of more detailed study in the presence of hypertension. Since the cardiogram was normal in only 44% of 424 applicants with hypertension, it seems worthwhile to take cardiograms routinely whenever blood pressure is over 140 systolic and 90 diastolic, he said.

The modern conception of urinary tract infections was discussed by Dr. Hall Shannon, medical director Southland Life. The incidence of renal tuberculosis has been tremendously reduced in this country in the last few decades, he said, due probably to more widespread use of pasteurized milk.

### Touches on Rheumatic Fever

Mrs. Madge T. Macklin, senior research fellow Ohio State University, presented an outstanding paper. As the incidence of infectious diseases is reduced, she said, the incidence of diseases which have their basic foundation in the individual's constitutional makeup increases, of necessity. If that constitutional background first can be proved to be existent, and then recognized in those in whom the disease has not yet become evident, two great advances will have been made, she said. First, it will be possible to evaluate more accurately the life expectancy of the prospective client who applies for life in-

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*Insures The Whole Family*

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### Here's How:

The Wisconsin National helps you to success and security. It offers a new and attractive life agency plan with a group of select and salable policies—diversified policies—Life, Accident and Health.

Or, you can boost your present income. The Wisconsin National has the policies that will secure increased income for you through new business as well as renewals. Your commissions will be most liberal, supplemented by prompt claim service.

★ For contract and territory in Wisconsin, Illinois, Minnesota, Michigan or Indiana, address Agency Manager.

**LIFE** ● **ACCIDENT**  
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**WISCONSIN NATIONAL**  
**LIFE INSURANCE COMPANY**  
**OSHKOSH, WISCONSIN**



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insurance, and second, to advise that client to take advantage of any precautionary or preventive measures which medical research will have brought to light in that particular disease. She emphasized rheumatic fever as one in which hereditary factors are influential. This fever is conditioned by an inherited susceptibility. Rheumatic fever is said to be the leading cause of death in the United States in the five-year period from 10 to 15, and second only to tuberculosis in the decade from 15 to 24, she said, and also, not all of its victims are killed off in early life, but some live to develop various forms of heart disease that have been induced by rheumatic fever. "Knowledge of the heredity of the disease may thus become one of the keys that assists in unlocking the doors that stand closed between us and a more complete understanding of the normal and abnormal functioning of the cardio-vascular renal machine," she concluded.

#### Panel of Three Experts

A feature of the final session was a symposium on eye, ear, nose and throat, with Dr. J. P. Donelan, medical director Guarantee Mutual Life, Omaha; Dr. Daniel W. Hoare, assistant medical director Penn Mutual, and Dr. Edward Novak, life department medical director, North American Accident, Chicago, participating. Dr. Donelan discussed "Underwriting the Eye Impairment" noting lack of available medico-actuarial statistics. The blind in the United States number 200,000 to 250,000. Although blindness has been reduced greatly in the last 30 years through development of medical knowledge and surgical skill, the number of persons who lose, permanently, part of the vision of one or both eyes because of accident or disease, runs into tens of thousands each year, annually, and 300,000 eye injuries occur in industry, despite serious attention to accident prevention.

In a paper on "Aural Impairments and Suggested Ratings," Dr. Hoare discussed affections of the internal and middle ear. Recalling the medical impairment study of 1929, he said total or marked deafness gave a mortality ratio of 99% in a standard group of 43,019 entrants, and a ratio of 127% in a sub-standard group of 15,493 entrants. The death rate from accidents in the sub-standard group was 1½ times the normal. Mutism combined with deaf-mutism gave a combined mortality ratio of 144%.

### Mass. Mutual Parley Hears MacLean Talk

(CONTINUED FROM PAGE 2)

ment at a high level of 54 million, and wages at increased levels. These factors bolstering consumer buying power, coupled with a shortage of goods and high prices, have a telling effect, and the lower rate of return on investments has increased public recognition of life insurance as the safest and best method of creating and maintaining an estate, he said.

Mr. Fischer said that the millions of returning veterans have an increased consciousness of life insurance, brought

about largely through their owning National Service Life Insurance. He said that the tremendous increase in the number of marriages and the increased birth rate represent a larger market for life insurance.

The accumulated savings of the American public amounted to \$140 billion at the end of 1945, he said, and that the sum now is equal to a full year's national income. Bank deposits have reached \$150 billion as compared with only \$70 billion a few years ago.

"In the years ahead we can expect every material requirement for continued prosperity," Mr. Fischer said. "It is unmistakably true that neither prosperity nor depression can last forever, but I am optimistic as I look forward to the next several years."

#### Many Speakers

Other subjects discussed by company speakers during the three days of the convention were:

Building Estates with Life Insurance, by H. R. Van Cleve of Los Angeles and A. M. Palmer, Miami; Estate Analysis and Programming, by N. S. Bienstock, Keane agency and B. H. McDonald, Cleveland; Conservation of Estates, by Arthur Schoen, New York; Personal Security Plan, by R. W. Dozier, Oklahoma City; Group Insurance, by T. J. Connell, manager group department, and J. E. Clayton, Clayton agency; The Woman's Market, by Mary Hostetter, Indianapolis; The Juvenile Market, by Roswell Meahl, Pittsburgh; Pension Trust Plans, by J. M. Hammer, Jacksonville, and T. L. O'Brien, Washington; Profit Sharing Plans, by R. J. Ardison, agency assistant; Key Man Insurance, by Abe Suher, Springfield; Partnership Insurance, by Frank Murphey, Peoria; Stock Retirement and Purchase Plans, by B. H. Wulfoetter, Cincinnati, and A Young Man Looks at the Massachusetts Mutual, by Knox Turnbull, Richmond.

The Victory Club, formed in 1941, has been renamed the Massachusetts Mutual Leaders Club. The number of representatives qualifying for membership has been far in excess of the company's expectations, with the result that more than 600, including representatives, wives and company officers, were in attendance at the convention.

### Conn. Mutual Sets Attendance Record

(CONTINUED FROM PAGE 2)

Dr. H. B. Rollins, medical director, said that special tests, such as the chest x-ray and electrocardiogram have fully proved their worth and permit a fairer treatment of all applicants. Vice-president H. F. Larkin said there is no tendency to adopt a stiffer underwriting policy to offset lower investment earnings. He emphasized the importance of the agent's role in pre-selecting the applicants, saying that if no such selection were made a much greater proportion of poor cases would be submitted and in endeavoring to salvage these a few impaired cases would be bound to slip through and it doesn't take many bad ones to affect the mortality adversely. He said the interest in juvenile insurance has been surprising, 1,800 policies for about \$3 million having been placed last year after the new juvenile contract be-

came available in April 1945. Current figures indicate increasing interest.

The second panel Monday dealt with the package sale. B. F. Scott, Grand Rapids, said he uses the "change of plan" clause in the policy as an opener frequently selling ordinary life with the idea that it will be converted to retirement income as of the original age. He said he has built his own life insurance on this plan.

K. S. Austin, Rutland, Vt., said mortgage insurance can readily be sold, for when a man buys or builds a house he has security for his dependents very much in mind. Prospects can be had from news items, but it's better to find out about them before the information becomes public. He suggested contacting moving companies, real estate agents and bankers and reciprocating by telling them of prospects for their services. He sells 10, 15 or 20 year term ordinary life or family income with commuted values.

He pointed out that a home owner wouldn't think of omitting fire insurance, though there is only one chance in 200 that his home will burn in the ensuing 20 years, but for a man age 35 there is one chance in five that he will die during that time or 40 times as great a risk as fire.

C. M. Rhodes, Louisville, said the danger to be guarded against in selling educational insurance is that it will be tightly tied up under an option when there may be greater need for it for living expenses for the family before it is time to go to college. He suggested including a limited withdrawal privilege. He told how this clause led the way to an additional sale of regular life insurance to a man who at first would not talk about anything but educational insurance.

W. L. Maibach, Peoria, said juvenile insurance is the easiest thing to sell in a country where there are 30 million youngsters under age 16. Intending to say there would soon be another two million children now that the service men are back he got quite a laugh by inadvertently saying "billion" instead of "million." He suggested the use of a calendar bank as a means of character building and providing the premium. He mentioned the simplicity of filling out the application, no occupation, no aviation, no specimen. He quoted the saying that "life insurance like marriage is a great institution every family should have both especially if there are children."

#### Ex-Undertaker's Views

W. K. Whipple, an undertaker before he went with the Atlanta agency, said this background had been a great training, for it impressed on him the need for life insurance in a very forceful way. Life insurance doesn't lessen grief but it frequently makes the difference between grief and despair. He advised cultivating funeral directors and getting their cooperation. He suggested the sale of insurance of war widows since they have a regular income from their government insurance. He recently sold six war widows a total of \$48,000. Another suggestion was to put on cards statements from clients. He quoted several that he uses one of them, stating, "I spent 15 years dodging insurance salesmen and for 15 years they've been dodging me"—from a man who was uninsurable.

C. L. Stone, Minneapolis, said of selling women, "Don't carry on a long approach discussion. Don't ask her to tell her age and how much she can save where fellow workers can hear her, but ask her to write it on a slip of paper if it is not convenient for her to talk. Ask her to telephone you—she'll appreciate your consideration." Women are interested primarily in saving. "Don't discuss insurance until the sale is certain," he advised, "then you can say that she can have this without insurance protection, but usually this is done only by those who are uninsurable. She won't want to be considered uninsurable."

Mr. Stone suggested having the woman policyholder set up a bank account out of which the bank pays all

premiums. It also receives the premium notices. She merely makes the necessary deposits periodically.

### LONG RANGE VIEW

Mentioning how hard it is to see doctors because they are so busy, Mr. Austin suggested making appointments 10 years in advance. This means prospecting among interns and senior medical students and selling them small policies.

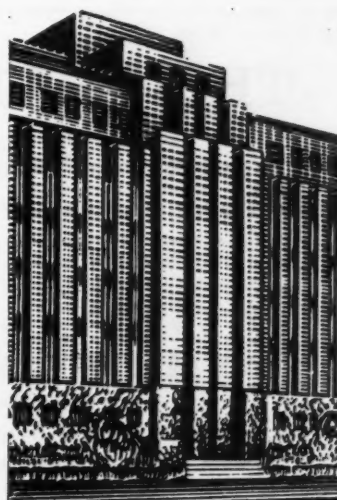
Sometimes he endorses their notes at the bank to pay the premium and has never lost any money through it. In his peak year he sold 31 out of a graduating class of 40 a total of \$155,000.

It is a long range program and too much time should not be spent on it for there is little profit in it in the early years but it is a way of building lifelong clients.

Discussing social security and National Service Life Insurance, Mr. Rhodes said they have made the public more income minded as to death and retirement benefits than anything that ever happened. Very few people understand what their social security benefits are and they appreciate having them explained. Mr. Rhodes, when congratulating a client or acquaintance on a new child also congratulates him on the additional \$4,700 of life insurance he has acquired. When the new father expresses surprise, Mr. Rhodes explains that the new arrival means there will be an additional survivor benefit of \$22 a month to age 18, the equivalent of \$4,722 of life insurance. Since social security is not enough, this opens the way to discussion of additional insurance.

#### Direct Mail Techniques

Mrs. Cott gave several do's and don'ts for direct mail campaigns. Submit only names unreachable through centers of influence; use quality names from birth records to keep adding new young prospects every three months; get a list of



**BANKERS Life COMPANY**  
DES. MOINES

## WANTED!

### STATE AND ASSISTANT STATE MANAGERS

A large and well-established Life Insurance Company, operating throughout the United States, has openings for men with managerial experience who can earn between \$5000 and \$10,000 per year. Excellent opportunities in the following states:

INDIANA  
PENNSYLVANIA

ARKANSAS  
MISSISSIPPI

LOUISIANA  
GEORGIA

Send photo and give age and experience in first letter—all inquiries will be considered confidential. Write Box E-56, THE NATIONAL UNDERWRITER, 175 West Jackson Blvd., Chicago, Illinois.

newcomers and put them on the mailing list. If a member of the Chamber of Commerce, get a list of new members, since many firms making substantial contributions list their younger executives for membership.

Discussing sales to women, Mr. Maibach said a woman will either die young; in which case the insurance will be a bargain and she ought to buy a lot of it, or she will live to be old and will need money to take care of her. In the latter event she should not depend entirely on men to look after her, and "besides, there's an acute shortage of desirable males."

As a means of getting "plus business," Mr. Whipple suggested policyholders with large estates. These people are hard to see and he has asked his general agent to write them letters telling them that in view of recent tax changes he is asking Mr. Whipple to call on them and that there is no obligation. Without exception these letters have gained him the interviews.

### Three Major Developments

E. C. Andersen, superintendent of agencies, who conducted the panel, said the war has resulted in three major developments which are opportunities for the alert agent in the advanced underwriting field. There is a great deal of thinking going on among employers about pension plans, key-man insurance and tax problems in programming. There are such factors as Social Security, NSLI and company pension plans that were not present a few years ago. In the package sale field the most drastic change is that whereas a few years ago 90% of the population owned only 10% of the wealth, now 90% own more than 40%. This means that a large percentage of the 37 million American families has moved over out of the industrial insurance market to become an unusually fertile market for package sales since this rather than programming is the normal first step in an individual's life insurance education. Very likely this greater diffusion of wealth will remain, he said, for with high income taxes and rising wage rates it seems improbable that the trend will be reversed.

The programming panel conducted by R. E. Pille, educational director, elicited ideas on this subject from a group of six agents who accounted for 2% of the

company's entire business during the last year.

R. E. Ford, Toledo, recommended programming as a means of enhancing one's prestige as a professional man. The agent should explain that his is a long-range program, not necessarily one to be purchased at once in its entirety. If the prospect balks the agent should ask him what part of the program he wants to take away from his family.

Mr. Ford made a big hit by pulling out of a policy jacket a sheet covered with brightly colored large size illustrations showing what sort of things—food, clothing, shelter, etc., the policy will take care of. He makes effective use of this in his programming.

### Avoids Evening Work

P. H. White, Buffalo, said he favors programming because it helps him in getting referred leads and because it got him away from evening work. It built up his professional standing so that people were willing to take the time to see him during the day. He told of successfully using cards, which he sends to centers of influence, on which they send him names of prospects. He sends about 20 a month and gets about 10 new prospects a month from this source.

Miss Cora Hartvig, Los Angeles, said that programming means real stewardship by the agent, bringing the agent close to his clients. She quoted as typical a remark by one of her clients: "Do be around when my wife needs you."

E. C. Jahn, Newark, said programming means higher average sales, better than average prospects and better than average chances of closing. By presenting the case in terms of income it automatically rules out the typical "overinsured" objection. He also told of using the "change of plan" clause as a sales tool, since Connecticut Mutual guarantees this right in the policy. In one case he won a competitive case against a lower net cost company by persuading the prospect that this feature alone was worth the few cents a month difference between the two policies.

I. M. Barker, St. Louis, said single-need selling tends to make an agent tired and less effective and limits his earnings, while programming means better earnings and the gratification of doing the best job for the buyer. To

eliminate the bottleneck in the first interview, which is getting the prospect's interested attention, he uses a check-chart to show what the proposed plan will do, newspaper clippings about accidents to arouse interest in a common disaster provision, and testimonial letters.

### Problem of Estate Shrinkage

Charles Moore, Memphis, said shrunken estate values are a big problem, a \$150,000 taxable estate, for example, being only 40% exempted as against 93% exempt some years ago.

Between the two Tuesday panel sessions Chenoweth Gilman, deputy director for New Jersey of the Treasury Department, presented to President P. M. Fraser a testimonial of the Treasury's appreciation for the company's war bond sales work.

The final panel session, on sales opportunities with business organizations, was conducted by E. A. Starr, supervisor of employe insurance plans.

N. P. Gordon, Cleveland, told of using key man insurance where other approaches failed. Two doctors whom he had tried to sell partnership insurance bought key man insurance on each other when Mr. Gordon asked whether a single survivor could meet the heavy fixed expenses of the office if the other died. A corporation head owning 85%, previously advised by his lawyer against buying a pension trust, took a key man policy on himself as a substitute for increasing his own salary, which ceilings then prohibited.

A. Van Pritchard, general agent at Memphis told of a pension plan sold to one of the largest banks there even though the agency was not a customer. Since there was competition the sales argument was that this was a plan developed by Connecticut Mutual, which had obtained Treasury approval, that it was not an experiment, etc. Some time after it had been installed the bank wrote that the improved results from heightened employe morale were by themselves worth the entire cost of the plan.

### Sole Proprietorship Approach

A. S. Potwin of the home office legal department described the sole proprietorship insurance approach of W. F. Kelly, Boston, who could not attend because of illness. Mr. Kelly uses a sheet on which he lists the plus qualities and minus qualities of operating a sole proprietorship. On the plus side, the man is his own boss, he makes more net profits because there is no dead weight on the payroll and there is less overhead, he owns the business assets and capital.

On the minus side, he gets no social security, group insurance, pension or profit-sharing plan such as a large corporation would give him, there is a liquidation loss at death because of forced sales of assets and loss of goodwill value, and there is liability of the proprietor's estate for debts and taxes of the business. Mr. Kelly points out that the higher net profits and the ownership of capital and assets furnish a way, through life insurance, for offsetting all three minus points of the proprietorship.

### Some Prefer Profit Sharing

F. R. Griffin, Jr., Philadelphia, said that very often a firm that is reluctant to take on a pension plan for fear of tying itself up to a fixed commitment will buy a profit sharing plan. The life insurance feature is to put one-third of the allocation or 5% of payroll into ordinary life premiums. Assuming the legal maximum of 15% of profits has been allocated, this means that just before an employee's retirement his insurance can be converted to retirement income out of the profit-sharing fund, since this privilege is guaranteed in the contract. Use of life insurance will tie the family of each employee closer to his job, thereby helping the employee's morale. Also, the average employee is grossly underinsured.

There is a decided tax advantage under present income tax laws. Trust

funds distributed at retirement or used to purchase a single premium annuity would be taxed under the long-term capital gains basis, up to 25% of the principal whereas under the life insurance plan only the monthly income received after retirement would be taxed.

L. J. Fink, New York City, company production leader, who during the last year sold four pension cases covering 550 lives and involving \$7,750,000 in force, told how he goes over the application blank with each participant, obtaining information as to beneficiaries, etc., on which to base future solicitations for additional insurance. If followed through this side-line business will probably exceed that under the pension plan, he said.

Mr. Potwin pointed out that each party to "buy and sell" business insurance agreements stands in three capacities: as a seller he should ask himself, "have I enough insurance on my partner so that I can fully pay for his interest?" As a seller he should ask, "Does my wife stand to be fully paid for my interest should I die first?" As owner, a third question is, "have my holdings increased estate taxes at my death?"

For example, a business formerly worth, \$90,000 might now, through inflation in values, including possible real estate values, be valued for estate tax purposes at \$180,000. While this is only double, yet it would boost estate taxes from \$3,000 to \$27,000, or nine-fold, thus there is need of \$90,000 more business insurance and \$24,000 more personal estate insurance.

Mr. Potwin also discussed the sales opportunities arising out of the revenue law's penalties against overlarge accumulations of corporation surpluses.

F. G. Reed, Chicago, specialist in pension plans, told of precautions he takes against elaborately working up a case and then losing it to a competitor. He read a form letter which the prospect signs, agreeing to recognize Reed-Ramsay & Associates as brokers for the sale of any life insurance purchased in the next two years in connection with such a plan or, if a self-insured plan is used, to pay \$100 plus \$2 for each employee covered.

At the banquet Tuesday evening President Fraser presented trophies to the winners. Awards were won by L. J. Fink, New York, for leading in volume of new business; N. C. Willis, Houston, leader in new cases; D. A. Stern, New York, conservation leader; M. C. Jones, Los Angeles, most outstanding organization accomplishment by a supervisor or district agent; E. G. Zandt, Peoria, leading first year agent in new cases; M. P. Flaster, Newark, leading first year agent in new volume; W. L. Maibach, Peoria, leading second year agent in volume; M. F. Rollins, New York, leading second year agent in new cases; J. R. Edmiston, San Diego, West Coast leader in conserving business; Barney Nudelman, Los Angeles, leading producer on the west coast; E. R. Scott, Grand Rapids, L. H. Markowitz and Louis May, New York, R. F. Griffin, Jr., and J. Clyde Rogers, Philadelphia, W. H. Curner, Rockford, and J. E. Driscoll, Springfield, Mass., for qualifying for the president's club for five out of seven consecutive years; and C. T. Trolin, Hartford, Giulio Pontecorvo, New York, L. S. Lamb, Philadelphia, and D. C. Newton, Rochester, for making the president's club for the tenth time.

Mr. Willis won the award for greatest number of employe insurance plans and A. V. Rush, Huntington, W. Va., the award for the greatest volume of such plans. C. M. Rhodes won an award for having four or more cases a month for five consecutive years.

Mr. Fraser announced that no change

## THE PRAETORIANS

Adult and Juvenile Policies on the Easy Monthly Payment Plan, giving one the opportunity to budget his Life Insurance protection along with his other monthly bills.

### LEGAL RESERVE FRATERNAL INSTITUTION

Organized in 1898

Forty-Five Years of Insurance and Fraternal Service

Home Office—Praetorian Building—Dallas, Texas

## A. O. U. W. OF NORTH DAKOTA



THE PIONEER

Some choice territory open for competent State and District Managers

HOME OFFICE

Legal reserve life and disability insurance—protecting the family since the days of the covered wagon.

All standard forms of legal reserve adult and junior life insurance contracts issued. New junior policies now issued on the C.S.O. table of mortality with full face value at age 5.

Non-cancellable health and accident providing for 52 weeks of disability.

FARGO, NORTH DAKOTA

### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller

Supreme President

Frances D. Partridge

Supreme Secretary

Port Huron, Michigan



is contemplated in the 1947 dividend scale. This assurance brought cheers from the assemblage.

He discussed the interest rate situation. Mentioning a \$15 million block of utility bonds soon to be refunded, probably on a 2.5 to 2.7% basis, he said he was thankful the company had started setting up reserves against such situations some years ago when the downward trend in interest became evident.

Connecticut Mutual had for the first five months of this year a net rate on investments of 3.41, the company in 1945 had a rate of 3.56%.

Connecticut Mutual has a cushion of \$9 million of appreciation in market value over cost of securities. Mr. Fraser said the company recently sold a million dollars worth of Atchison, Topeka & Santa Fe bonds at a profit of \$280,000 because it was felt that at a 2.63 yield basis they were overpriced, in view of the fact that they would not mature for 50 years.

Mr. Fraser said the company had just passed the \$100 million mark in new business paid for since Jan. 1. The company showed an increase of 80% for the first five months, considerably higher than the average for all companies, even though 1945 was the second best year in Connecticut Mutual's history.

## Terms Ordinary Agent Employee

(CONTINUED FROM PAGE 3)

ing that the agents were justified in seeking improvement in the cashier's department of the agency and that they did so in concert with the majority of their fellow agents, quite a necessary point in proving unfair labor practices. Complainant alleged that the agents were acting as heads of a group of agents, known as Chicago Round Table No. 5, which had been formed in the office by a previous manager for the purpose of presenting grievances and suggestions from the agents to management. Though this group was not a bargaining agent it was a vehicle of concerted action. Complainant sought to show that agents have a definite interest from a financial point of view in the workings of the cashier's department, and are justified in seeking concerted action to better this service. The letter drawn up by the members of the Chicago Round Table No. 5 was never put in final draft and never sent to the home office.

The defense strategy of company counsel in cross examining the witnesses and in presenting as witness for the company Miss Dorothy T. Tennett, supervising cashier in the home office, seemed to be to show that the division of authority within the company is such that agents or members of the agency department have no concern with cashiers, members of the comptroller's department. Mr. Hurd endeavored to show that the cashier's department in the Chicago-La Salle agency was responsible to the home office and not to Harry C. Herbig, who was manager at the time. This, said Mr. Hurd, indicated that complaints of agents about cashiers are out of order. The company also endeavored to prove, through Miss Tennett's testimony, that the company keeps a thorough and reliable check upon its cashier's departments all over the country.

Evidence introduced by Mr. Drake for the board included a master policy card on a policy issued on Mr. Johnson in Phoenix Mutual. This master card bore the code letters, "H.O.E.," which Miss Tennett admitted stood for home office employee. Mr. Drake termed this proof that the agents were regarded by the company as employees, while the respondent claimed that this designation merely indicated that the records of Mr. Johnson were in the home office. Though all witnesses were asked repeatedly by the court to define the dif-

ference between a company agent and a home office employee, none would venture to clearly outline the distinction.

Another point upon which complainant dwelt, was that following the dismissal of the two agents, Clifford L. Morse, assistant agency manager, had tried to get the two men to sign resignations. Mr. Davis submitted a resignation, but Mr. Johnson refused to do so. Mr. Drake declared that the very anxiety of the company to have resignations from these men in its file indicated that the company was afraid of some unfair practice charges that might be leveled against them by discharged employees.

Complainant injected considerable evidence into the record from house organs and trade journals to show that both Mr. Davis and Mr. Johnson were good agents and consistent leaders in the Chicago-La Salle agency.

### Board's Summary

In summing up the case of the board against Phoenix Mutual, Mr. Drake argued that the case was clearly within the jurisdiction of NLRB, offering in support of this the precedent of 13 cases in which NLRB has taken jurisdiction over insurance companies engaged in interstate commerce. He said that insurance salesmen are vital in the insurance transaction and the whole texture of the national economy is affected by the working condition of the insurance salesmen.

He contended that the very closeness of control of the company over the renewal premiums and other rights of its agents, places them in the position of employees. He said that if they were individual contractors, there would be no justification for penalties on renewals. He argued that the company paid for stenographic help and office space for the agents, which it would not do if they were not employees. He pointed to the 95th anniversary statement of Phoenix Mutual which refers to their people in service and goes on to welcome back each employee. On the honor role of employees which is therein included, he said that agents are bracketed with cashiers and all other types of workers as employees.

Mr. Drake maintains that the NLRB precedent shows that in determining whether or not a man is an employee, the contract should not be looked at alone, but all of the other factors in the relationship should be considered.

### Claims Protection

To prove that when complainants sought to improve the cashier's department in the agency, they were engaged in an activity protected by the national labor relations act, Mr. Drake said that testimony showed agents had a business and personal interest in an efficiently run cashier's department, because they worked together with cashiers and such cooperative activity is protected by the act.

Mr. Drake argued there was no question but that the agents were discharged because they engaged in the activity so protected. He said that the letters of termination which had been introduced into the evidence made it impossible to conclude that the men were fired on any other grounds than that they had incurred the displeasure of the company by going over the head of their local manager to protest local conditions to the home office.

On the question of whether the individual agents were engaged in work affecting interstate commerce and whether the company action in dismissing them placed the burden upon this commerce, Mr. Drake pointed to the case of Butler Bros. vs. NLRB in which it was held that the maintenance personnel who swept the floor and ran the elevators were engaged in activity affecting interstate commerce. He said that no matter how small and remote the job within an interstate company, it had a bearing on such commerce and that the small jobs cannot be separated out from the whole.

In his final words Mr. Drake said the jobs of the complainants were not whol-

ly a matter of contract and there were many details of their work beyond the terms of the contract which made them employees. He likened the contract of the ordinary insurance agent to that of a contract of marriage or for army service, saying that a true picture of the job cannot be gained from reading the formal terms of the contract.

### Respondent Argues

Summing up Phoenix Mutual's defense, Mr. Henry declared that there was absolutely no proof that the complaint falls within the jurisdiction of NLRB. He said that in other cases involving insurance companies heard by the board, the circumstances were entirely different. He said that the only case that comes close to this is that of Polish National Alliance vs. NLRB, but this case is rendered different because the activity in question is that of home office employees and not agents in a branch office.

Mr. Henry said there is no proof that complainants are employees within the meaning of the act, pointing out that all other cases before the board involve either industrial agents or home office employees. He declared that Congress, in drawing up the national labor relations act, purposely left the definition of employer-employee an open one and that the Supreme Court has indicated that when a man enters into a contractual arrangement, he does not necessarily become an employee.

He pointed out that ordinary insurance agents are not subject to social security and that any restraints imposed on them by the company are no more than suggestive. They are free to come and go as they choose and to operate in any manner they wish. He said that the contract was just as fair to the agent as to the company, because either of them could terminate it with 30 days notice. He said that just because the company offers certain help and solicitude to insurance agents does not mean they are employees. The company does this to improve its own relations with agents and to enable them more efficiently to bring in premiums for the company.

### No Concerted Action

Mr. Henry said that in order for the two agents to be engaged in an activity covered by the act, it had to be proved that the activity was concerted. He said that there had been no evidence that indicated that Chicago Round Table No. 5 was a union or a bargaining agent within the meaning of the act. He said that mere discussion is not concerted activity and that to come within the protection of the act, this concerted activity must have to do with wages, hours or conditions of employment. The present case has no relation to these three.

He said that it was not enough for the board to show that insurance was interstate commerce, but the board must show that the activities of the Chicago-La Salle agency and of the two agents in question affect commerce. He pointed out that in the case heard before the NLRB of Hinkler vs. 83 Maiden Lane, it was ruled that, although the building corporation was engaged in interstate commerce, Mr. Hinkler, an elevator operator in the building, was in no way involved in such commerce.

In answer to an earlier charge by the board that the original contracts entered into by the agents were unfair, because of the penalties imposed upon renewal commissions, Mr. Henry said that agents are selling under standard contracts which can be terminated at any time if either party is dissatisfied with the terms.

## Goldstein Explodes Pension Fallacies

(CONTINUED FROM PAGE 4)

more than \$3,000 a year." At whatever level pensions stop they are usually ineffective unless the ceiling is high enough. For example, assuming a \$3,000 ceiling and the objective of providing 50% of average pay. This would mean such a plan would stop being effective at about the \$6,000 salary level—and superannuation is the most expensive at the top.

### Money Purchase Plans

13. "A money purchase plan is better than a definite benefit plan." Money purchase plans are outmoded, particularly the type in which the employer merely matches the employee's contribution with an equal amount, because of lower interest earnings and greater longevity. The cure is to increase the ratio to 1.50 or \$2 or even more of employer contribution for every dollar the employee pays in or else change to a definite benefit plan, in which the employee pays a reasonable percentage of his pay and the employer pays whatever difference in costs is needed to provide the desired benefits.

14. "Early retirement benefits are sufficient to take care of disabled employees." Not for employees disabled say at 40 to 55. The actuarial equivalent reduced pension at such an early age is insignificant compared with the disabled employee's minimum needs. Hence something more is needed—a disability pension system to supplement the age pension system. This usually calls for a self-administered fund for the disability benefits.

### "CAN'T AFFORD IT"

15. "We cannot afford the cost of an adequate pension plan." That may be true but often an employer can save enough in other directions to increase his pension outlay. He may have to make the hard choice of saving on death benefits to increase pension benefits. For example, the usual retirement income policy pension plan generally increases the cost to the employer from 60 to 100% over the cost of providing pension benefits without the death benefit. Therefore an employer in such a situation can increase his pension benefits from 60 to 100% if he cuts out the death benefit or shifts the cost to the employees.

16. "A deferred-distribution profit-sharing plan is a substitute for an immediate-distribution profit-sharing plan." A deferred plan is a sort of pension plan that pays benefits, usually on death, retirement, disability, or severance, like a money purchase future-service pension plan. An immediate-distribution plan is just another form of cash bonus to add to the pay envelope to attract and hold desirable employees who would not be satisfied to work only for the base pay.

17. "A deferred-distribution profit-sharing plan is a substitute for a pension plan." A deferred-distribution plan cannot be an effective pension system for the first 10 to 25 years after it is established, under Treasury department rules, primarily because adequate benefits cannot be given for past service except to perhaps the lowest paid employees.

18. "A deferred-distribution profit-sharing plan can provide more benefits

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to employees than a pension plan." The fact is that if an employer is able and willing to make the maximum contributions and provide maximum benefits he can do more under a pension plan not only for those who are entitled to age pensions but also to those who become disabled, leave employment, or die.

19. "A deferred-distribution profit-sharing plan should precede a pension plan." The pension plan should come first. No matter how much the employer pays out under a deferred-distribution profit-sharing plan he will be holding the bag and have the additional cost of superannuated and disabled employees unless he has a pension plan. Therefore the pension plan should generally come first.

#### Must Be Supplementary Only

20. "Our deferred-distribution profit-sharing plan should be continued." Perhaps so, if it is supplementary to an adequate and effective pension plan but nine of 10 existing deferred-distribution profit-sharing plans are built on top of no pension plan or an inadequate plan. So unless the employer will sweeten his pension plan, if any, he should change his deferred-distribution profit-sharing plan into an adequate and effective pension plan. This and other changes indicated above should only be made on receipt of prior Treasury department approval, which is usually forthcoming.

21. "Our employee fund should be invested in the common stock of our company." Yes, if the profit-sharing plan

is built on top of a pension plan and the latter's investments are in safe, conservative securities that are legal for trust funds or life companies to own. The pension fund has to provide economic security for employees when they need it most. If the employer has such a fund it is sound to have the employees become partners by having a deferred-distribution profit-sharing plan hold common stock of the employer's company. Such a fund can take the ups and downs of the stock market and ride out each economic storm, since it is a supplement to the economic security provided by the pension fund and is not itself the first line of defense.

22. "Employers do not need a consultant." Perhaps not, but generally they do. Big business has been employing consultants in this field for a long time. Small and medium-sized businesses are doing so in increasing numbers, because they find that in some respects they have greater problems than big business, as indicated by many of the fallacious ideas already mentioned.

#### Recruiting and Training Clinic in Los Angeles

(CONTINUED FROM PAGE 7)

ness. He would prefer to do business with fewer men who write larger policies. Mr. Murrell believes a good man with mediocre training and supervision

will get better results than a mediocre man with excellent training and supervision.

Lloyd Lafot, of New York Life, described his intensive training program, which is built around package selling for the new man, and which the agency has been using with marked success in 1946.

"Our basic objective," he said, "is to train package salesmen to write 100 lives their first year with a minimum standard of 60 lives a year. Our experience indicates there are these advantages: (1) Better prospecting and work habits are established, (2) agent is seasoned more quickly by variety of sales, (3) his income tends to stabilize sooner by following the case method."

#### Tells of His Formula

The type of men his agency desires is young, active salesmen, capable of selling 100 cases a year. The work pattern is set up on the basis of selling 100 lives a year, and the agent's program of activity is to get 10 selling interviews a week, 15 new qualified prospects per week, and submit 10 cases a month. He is looking for young men who like the Nylic plan of compensation and are used to hard and tough discipline and training. He believes he owes it to his men to make it tough so they won't fold up when they get into a jam when times get bad. It is wise to train men in the simple fundamentals of selling, which they will automatically fall back on when the going gets rough. No man is taken on who does not pass the aptitude test, and the new man immediately starts on a two weeks intensive preliminary training course. This is used as a "washout" system. Those who survive are graduated to a continuous training program, consisting of field work and two meetings per week. Mr. Lafot believes he can train and supervise a maximum of five men per trainer. His new men contracted in 1945 and 1946 have averaged 9.1 paid lives per month for \$30,700 average volume per month.

Mr. Hays operates an agency training program which he describes as a combination of package selling and programming, with emphasis on programming for the first year's training. The agent should be sensitive to the need for the most important package element in the program and close his case for that special need, trying on all cases to sell the entire program.

Discussion is very important in his training setup, and during the first year his men stick to nothing more complicated than simple programming. No attention is paid to business insurance, tax cases, etc., until the second or third year. For men who have been in the business six months, have paid for 10 cases with a minimum of \$50,000, and have completed the course, his company provides a home office training school.

Several in the audience differed with this theory and believed that observation and demonstration by the supervisor in the field is the best way to teach a man. The question was raised regarding the splitting of commission on such joint business, and by far the majority present indicated that they did not do so. A manager asked, "If you are willing to put in an hour discussing a case in your office without requiring a split on the commission, why wouldn't you make the call with the agent on the same basis?" It was agreed that if indulged in only occasionally there was no possibility of making a "leaner" out of a new agent, but that it is easy to make a "leaner" by being ready at all times to close business for him.

#### Supervisors Vote on Union

WASHINGTON—The national labor relations board has ordered an election within 30 days among all staff superintendents and special ordinary superintendents employed in People's Life of Washington district offices here, to determine whether or not they desire to be represented by American Federation of Insurance Supervisors Union No. 23891, AFL, for purposes of collective bargaining.

## Prudential Changes at Springfield, Mass., Chicago, Des Moines

NEWARK—Opening of a new ordinary agency at Springfield, Mass., and changes in the Chicago and Des Moines ordinary agencies are announced by Prudential.

Carl J. Allenbaugh will head the new agency while Sidney A. Kent of Des Moines replaces W. Stancliff Fuller, who is retiring as manager of Chicago ordinary. Mr. Kent's former post at Des Moines is being filled by the promotion of Fred W. Van Rheenen.

Mr. Allenbaugh represented Prudential in Honolulu from 1925. He has been manager of the insurance department of the Hawaiian Trust Co., managers for Prudential. He desired to return to the United States. The new agency is located at 95 State street.



SIDNEY A. KENT

Mr. Allenbaugh is a graduate of University of Indiana. He is a former president of the Life Managers Association and Life Underwriters Association of Hawaii.

Mr. Kent started as a Prudential agent in Chicago in 1924 after graduating from University of Montana. In 1930 he was appointed assistant manager and in 1938 was transferred to Salt Lake City as manager, and in 1941, he was placed in charge at Des Moines.

In 1937 he was president of the Life Agency Supervisors Association in Chicago and later in Salt Lake City served as vice-president of Utah Life Managers Association and a director of the Salt Lake City association. He has been a director of Des Moines association. He is a C.L.U.

Mr. Van Rheenen joined Prudential in 1933, as special agent at Des Moines. In 1936 he was named assistant manager. In 1939, when the detached office at Sioux City was opened, he was placed in charge.

He is a former president of the Sioux City association and was secretary of the Life Managers Club.

Dr. B. F. Black, 82, supreme medical director of Maccabees from 1988 to 1941 and great physician of the order for a year after that, died at his home in Holton, Mich.

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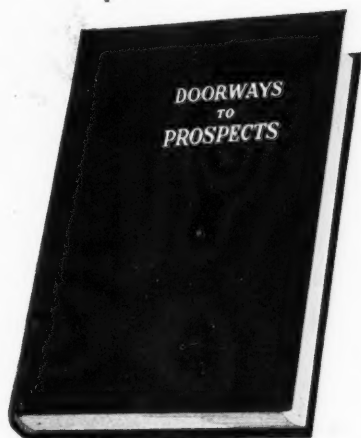
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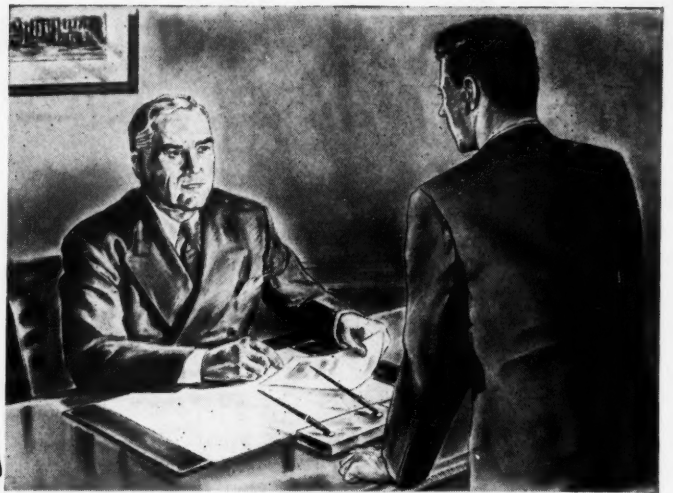
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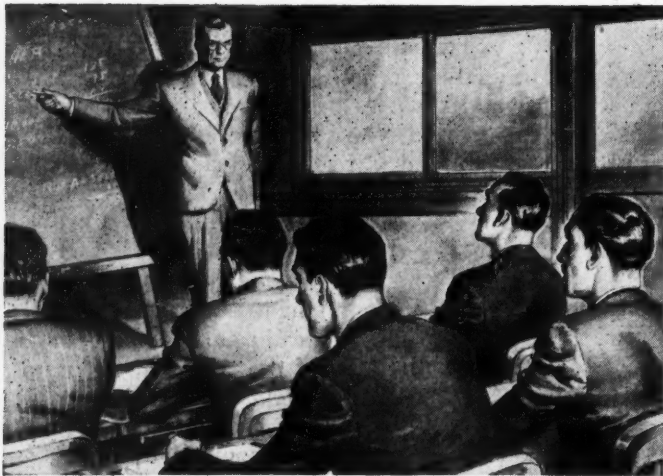
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